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Terrorist Activity

Russia: Chechen Terrorist Acts on Berlin U.S. Troops Threatened

LD1202100396 Moscow Russian Public Television First Channel Network in Russian 0600 GMT 12 Feb 96

[From the "Novosti" newscast]

[FBIS Translated Text] Dudayev's recent threats to punish the West and Bill Clinton personally for assisting Russia in the war against Chechnya seem to be borne out. Dudayev has said that, if necessary, his gunmen will reach not only Moscow, but Western Europe as well. The ARGUMENTY I FAKTY-NOVOSTI news agency has learned from authoritative sources in Russia's special services that the extremists from the Chechen and Turkish diasporas in Germany have come into increasingly close contact with leftist terrorist organizations. There is speculation that joint terrorists acts against U.S. servicemen in Berlin are being prepared.

Russia: Dudayev on Chechnya as 'Flashpoint' of Third World War

LD1202124496 Moscow ITAR-TASS World Service in Russian 1145 GMT 12 Feb 96

[By ITAR-TASS correspondent Andrey Palaria]

[FBIS Translated Text] Ankara, 12 Feb (ITAR-TASS) — "The war in Chechnya will go on for as long as there is still a single Chechen left alive. In future years it will spread throughout the Caucasus." This declaration was made by Dzhokhar Dudayev during an interview with journalists from the Turkish newspaper SABAH whom he met inside Chechnya. The present war, he insisted, is not simply a war among Chechens, but an issue which has "international dimensions."

Promising that the confrontation in Chechnya will last for another 50 years, Dudayev warned that fighting in that republic could become "the flashpoint of a third world war." "After the war in Chechnya we shall not lay down our arms. We shall head for those countries where Muslims are resisting and stand by them."

Dudayev declared: "Europe is observing the attacks being launched against us. Let it go on standing idly by until such time as we take the war to Europe itself." "If the events which are now taking place in Chechnya continue," he stressed, "the balance of forces will change and the war will spread to Turkey." "This is how the third world war will start," Dudayev said.

Russia: 'Some' Demonstrators Cease Rally Activities in Groznyy

LD1002111696 Moscow ITAR-TASS World Service in Russian 1047 GMT 10 Feb 96

[By ITAR-TASS correspondent Oleg Artyushin]

[FBIS Translated Text] Groznyy, 10 Feb (ITAR-TASS) — Some of the demonstrators on the square in front of the former presidential palace in Groznyy have said that they are prepared voluntarily to cease this unsanctioned opposition action and have asked to be provided with buses for this, this correspondent was told by officials of the law-enforcement bodies. At about 1335 Moscow time [1035 GMT] the authorities brought four buses to the square but no one has started getting in yet.

Meanwhile, intensive gunfire is breaking out periodically near where the demonstration is being held. servicemen are firing into the air to drive back a crowd of people who are trying to break through onto the square along one of the streets.

Russia: Chechen Government in Talks With Rally Organizers

LD1002112796 Moscow Mayak Radio Network in Russian 1100 GMT 10 Jan 96

[FBIS Translated Text] A Chechen government delegation led by Deputy Prime Minister Kharon Amirkhanov today began talks with the organizers of the meeting in Groznyy. Government deputy head Abdulla Bulgayev said that Dzhokhar Dudayev is the organizer of the meeting who is coordinating all the activities of the demonstrators via his representatives.

Russia: Police Reportedly Clear Groznyy Square of Demonstrators

LD1002144996 Moscow INTERFAX in English 1349 GMT 10 Feb 96

[FBIS Transcribed Text] GROZNYY, Feb 10 (INTERFAX) — Chechnya's riot police and municipal police units cleared Groznyy's central square of demonstrators at about 1415 Moscow time [1115 GMT].

According to INTERFAX's correspondent, at present there are no demonstrators in front of the presidential palace.

When carrying out their operation policemen fired in the air and used smoke cartridges.

Most demonstrators were driven to the central market. Submachine guns began to be discharged at policemen from a building standing near the market.

As a result a member of the riot police and a member of the municipal police were wounded, a local policeman told INTERFAX's correspondent.

Russia: Last Bus Carrying Rally Participants Leaves Groznyy

LD1002172696 Moscow ITAR-TASS World Service in Russian 1648 GMT 10 Feb 96

[By ITAR-TASS correspondent Oleg Artyushin]

[FBIS Translated Text] Groznyy, 10 Feb (ITAR-TASS) — Soon after 1900, the last bus carrying the participants in the unauthorized rally in Groznyy left the square outside the former presidential palace. A week-long confrontation between pro-Dudayev supporters, who were demanding the withdrawal of federal forces from Chechnya and the resignation of Doku Zavgayev's government, and the law enforcement bodies has ended with no blood spilled.

In a telephone conversation with an ITAR-TASS correspondent and RIA Novosti agency, head of the republic Doku Zavgayev said that the peaceful solution of the conflict had become possible "thanks to the constructive position of the Chechen government and the participation in the negotiating process by authoritative people, including Kharon Amirkhanov and Magomet Bamatgireyev, deputy prime ministers of the government of the Chechen Republic." "We managed to find a compromise," he said.

Russia: Deaths During Rally in Groznyy Reported

AU1002184596 Paris AFP in English 1809 GMT 10 Feb 96

[Transcribed Excerpt] Moscow, Feb 10 (AFP) — At least two people — a woman and a child — were killed Saturday by gunfire during a pro-independence demonstration in the central square of the Chechen capital Groznyy, witnesses on the scene told AFP.

The woman and the child had attempted to force a police barrier to enter the square where the demonstration was taking place, the witnesses said.

They were shot dead shortly after having been turned back. The woman was hit in the head and the boy in the back.

However witnesses were unable to say where the shots came from.

A Chechen police officer told AFP two other people, a man and a woman, had been killed earlier in the day but was unable to give further details.

Another witness in the afternoon said that police had fired into the crowd on the main square. He said he had seen two women fall to the ground.

Grozny's main square has been cordoned off from the rest of the town by three rings of men: Russian special interior ministry forces, Russian troops, and Chechen policemen.

Journalists have been kept out of the square.

Late afternoon Saturday the square was still ringing with the cries of demonstrators shouting "Allah Akbar" (God is great), from which it appeared that several hundred people were still on the square. [passage omitted]

The Chechen interior ministry said the week-long demonstration was "almost over" and that there had been no casualties Saturday.

Tension remained high in the war-ravaged city. Security forces fired several flares over the main square, and the nearby streets were empty with townspeople fearing sniper-fire.

Six trucks carrying troops were still parked close to the main square.

Russia: End of Groznyy Rally, Casualty Figures Reported

LD1002204996 Moscow NTV in Russian 1900 GMT 10 Feb 96

[Report by Aleksey Tereshchenko, Sergey Moroz, and Vladimir Krasilnikov from Groznyy; from the "Segodnya" newscast]

[FBIS Translated Excerpt] [Passage omitted] The lengthy siege of the demonstrators outside the presidential palace in Groznyy ended today, although until 1700 everyone was sure it would end with an assault. Armored equipment had already been moved up to the presidential palace and was only waiting for the order. However, at the last minute, common sense triumphed. After one-to-one talks, Interior Ministry spokesman Aleksandr Petrovskiy and head of the demonstrators (Mohamed) appealed to the demonstrators on the square in front of the palace. [passage omitted on Petrovskiy appealing to demonstrators]

[Begin Mohamed recording] We will all do it — if you trust me [crowd shouts: We trust you], because you know what it was like last night, what it was like the night before — 39 wounded, four killed. [end recording]

After the day's skirmish, six people were killed and 15 were wounded. Perhaps this was the main thing in resolving the conflict. About 1700 hours today, the Interior Ministry spokesman and the rally organizers came to an agreement: The demonstrators would disperse, and the authorities pledge to free all those detained between 4 and 10 February. [video shows armored vehicles lined up and demonstrators]

Russia: Groznyy Square Deserted; Federal Troops Clear Mines

LD1102092096 Moscow ITAR-TASS in English 0822 GMT 11 Feb 96

[By Oleg Artyushin]

[FBIS Transcribed Text] GROZNYY, February 11 (ITAR-TASS) — It is quiet, on Sunday, in the square in front of the former presidential palace where supporters of Chechen rebel leader Dzhokhar Dudayev held an unauthorised rally for a week.

Army engineers got down to work this morning when the rally was stopped on Saturday evening without bloodshed. They are looking for explosive devices which were planted by gunmen. Their work is made difficult by heavy snow precipitation last night.

ITAR-TASS learned from the army engineers commander today that they have already detected a mine system which was to go off when motor vehicles pass by. Explosive devices were also detected in the building of the former palace. Engineers do not preclude a chance that Dudayev flags and his portraits, fastened on the building, could be also mined.

Rally participants left the square on Saturday evening after they received assurances that they can return today to take left personal belongings and their tents. However, army engineers should inspect everything before this time.

ITAR-TASS learned from a high-ranking officer at the Chechen Interior Ministry who is in charge of operations to stop the unauthorised rally, that authorities were satisfied that the rally "was stopped only by peaceful means".

According to the officer, "several factors were used for this purpose". Eight most active rioters were detained en route to the square on Saturday evening.

Besides, the Chechen government demonstrated its readiness to settle problems peacefully. For this purpose, intensive talks with rally participants were conducted for several days.

The officer added that policemen were forced to open fire into air during the day to stop attempts by some groups to break through cordons and to join the rally. Tear gas was also used.

Russia: Troops Kill 'Dudayev Snipers' During Groznyy Rally

LD1102153596 Moscow INTERFAX in English 1402 GMT 11 Feb 96

[FBIS Transcribed Text] GROZNYY, Feb 11 (INTERFAX) — Three Dudayev snipers were eliminated during the operation to end the meeting in Groznyy's central square last Saturday, an informed source in Russia's Interior Ministry told INTERFAX Sunday.

He said the snipers, who were on the upper floors of the former presidential palace, had been eliminated by Russia's special units.

The operation itself was carried out without shooting. It involved 500 Russian servicemen, 700 Chechen policemen and OMON [Special Unit Militia Detachment] men, and 200 special-unit fighters.

After the central square was blocked, representatives of the Russian Interior Ministry jointly with Chechen officials held talks with the organizers of the meeting. Following the talks six buses were placed at the disposal of the demonstrators, most of whom left for their villages.

Field engineers and policemen have been working in the central square since Sunday morning to sweep the mines and remove the barricades.

Russia: Situation in Groznyy Returning to Normal

LD1102160196 Moscow ITAR-TASS World Service in Russian 1424 GMT 11 Feb 96

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 11 Feb (ITAR-TASS) — The protesters who spent all of last week here have departed, which has partly defused tension but not completely resolved the situation. The square in front of the former presidential palace and adjacent side streets are closed to vehicles and pedestrians. Work to detect and remove mines and other explosive devices has not yet been completed, according to the military. ITAR-TASS was told by the commander of an engineering unit that a system of mines designed to be activated as vehicles pass by was discovered this morning. Explosive devices were also found in the former presidential palace. The military engineers suspect that pro-Dudayev banners and portraits attached to the building may be booby-trapped.

The instigators of today's rumors about dozens of civilian corpses at the site of the demonstration have been found. The groups of people who gathered here spontaneously because of the rumors were pacified only after representatives were allowed onto the square.

The checkpoint regime in and around the city has been eased a little. Soldiers check papers and carry out vehicle searches only selectively. However, entry into the city remains prohibited to people without residence permits, and a ban on vehicle movements without special permission is still in force.

The unsanctioned rally on the square by Dudayev supporters lasted for a week, but the situation is calm now. The authorities are content that the rally "was successfully dispersed by purely peaceful means," ITAR-TASS was told by a senior source in the Chechen Interior Ministry who headed the operation to end it.

Most of the accredited journalists in Groznyy left today for Shatoy District in expectation of the release of captive Russian servicemen and the ceremonial beginning of the federal troop withdrawal from the district. However, no reports about events in Shatoy have yet been received.

Russia: 'Islamic State' Said Demanding Oil Pipeline's Disruption

LD1002162796 Moscow Russian Public Television First Channel Network in Russian 0600 GMT 10 Feb

[From the "Novosti" newscast]

[FBIS Translated Text] According to the information of the Federal Security Service [FSB], Lieutenant General Yevgeniy Vorontsov, head of the Krasnodar FSB Directorate, reported at a recent sitting of the staff of the Chechen armed fighters, a high-ranking representative of one of the Islamic states demanded that Dudayev should destabilize the situation on the Russian section of the pipeline along which Caspian oil is transported from Azerbaijan to Novorossiiysk. But the general did not say, according to a report from ITAR-TASS, precisely from which country the representative made this appeal to Dudayev's men.

Russia: FSB Urges Action Against Chechen Pipeline Terrorism

LD0902204796 Moscow ITAR-TASS in English 2001 GMT 9 Feb 96

[By Viktor Zhilyakov]

[FBIS Transcribed Text] KRASNODAR, February 9 (ITAR-TASS) — Head of the Krasnodar branch of the Russian Security Service (FSB) Lieutenant-General Yevgeniy Vorontsov on Friday called on local authorities to take all necessary steps against possible acts of terrorism by Chechen militants at Russia's section of the Tengiz-Novorossiisk pipeline.

According to information available at the FSB, a high-ranking official of an Islamic state demanded from Dudayev to destabilise the situation at Russia's section of the pipeline, Vorontsov said.

Vorontsov gave no other details.

Russia: Novogroznenskoye Becomes Chechen Rebel's New Headquarters

LD1002221896 Moscow Russian Public Television First Channel Network in Russian 2045 GMT 10 Feb 96

[From the "Novosti" newscast]

[FBIS Translated Text] It seems that the settlement of Novogroznenskoye in Chechnya is becoming the rebels' headquarters. According to information received by the ARGUMENTY-FAKTY-NOVOSTI agency, a meeting attended by Shamil Basayev, Salman Raduyev, (Izrailov), and Aslan Maskhadov took place there.

In Novogroznenskoye, rebels are carrying out the engineer preparation of positions and building fortifications. Arms are being brought into the village, some of them are being handed out to the local population. Even boys as young as 12 can receive sub-machine-guns.

Russia: Deputy Police Chief Abducted in Chechnya's Urus-Martan

LD1202073896 Moscow ITAR-TASS in English 0720 GMT 12 Feb 96

[By Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, February 12 (ITAR-TASS) — Police Major Alexander Markin, deputy chief of the district police division, was abducted in the centre of Urus-Martan district centre in broad daylight.

ITAR-TASS learnt at the press centre of the Chechen Interior Ministry on Monday that five masked people armed with submachine-guns stopped a Lada car with two policemen last Saturday at 08:30 and, threatening with weapons, moved Markin to an UAZ-469 jeep without a numberplate and drove in an unknown direction.

Officers of the Chechen Interior Ministry started a hot pursuit of abductors. However, nothing was found about the fate of the police major so far.

Military Activity

Russia: Generals Said Angered by Rumored Chechnya Withdrawal

MK1002122096 Moscow NEZAVISIMAYA GAZETA in Russian 10 Feb 96 p 1

[Report by Igor Korotchenko: "General Staff Against Troop Withdrawal"]

[FBIS Translated Text] Information to the effect that Russian Federation President Boris Yeltsin might soon come forward with an initiative to withdraw the group of federal troops from Chechnya has drawn a sharp reaction from the General Staff of the Russian Armed Forces. NEZAVISIMAYA GAZETA has learned that a majority of officers and generals "are indignant at the lack of principles on the part of the Kremlin, which is prepared for the sake of momentary political advantage to recognize de facto the Dudayev regime, and to actually make the army bear the blame for the mistakes of the government leadership in the North Caucasus." "In this event, let Yeltsin not expect that the armed forces will, in a critical situation, once again step on the Constitution, as was the case in 1993," a Defense Ministry central apparatus staffer told NEZAVISIMAYA GAZETA.

Russia: Moscow Postpones Withdrawing Troops From Shatoy

LD1102183896 Moscow INTERFAX in English 1733 GMT 11 Feb 96

[FBIS Transcribed Text] GROZNYY, Feb 11 (INTERFAX) — Russia has put off withdrawing its troops from Shatoy District in southern Chechnya, scheduled to start on Sunday, a duty officer at a Federal Security Service branch in the Chechen capital Groznyy told INTERFAX.

He said the reason for the postponement was that the Russian high command in Chechnya had still been unable to reach an agreement with district elders for the local population to surrender its weapons. Talks with the elders were still continuing at 7:00 p.m. (1600 GMT), the officer said.

Arms surrender is Moscow's main condition for its troop pullout from the district.

According to unconfirmed reports, Russia has its 57th Motorized Infantry Regiment deployed in the district.

Russia: Troops Withdrawn From Shatoy After Protocol Signed

LD1102194196 Moscow ITAR-TASS World Service in Russian 1859 GMT 11 Feb 96

[By ITAR-TASS correspondent Oleg Artyushin]

[FBIS Translated Text] Groznyy, 11 Feb (ITAR-TASS) — A battalion of airborne troops was withdrawn from Shatoy on 11 February. The withdrawal of subunits of the federal forces started after the protocol "On Peace and Accord" had been signed in Shatoy the same day. The document was signed by Lieutenant General Vyacheslav Tikhomirov, commander of the joint group of federal forces in the Chechen Republic; Abdula Bugayev, deputy prime minister of the Chechen Republic's government; Saidkhan Duzayev, who was appointed district prefect the same day; and a number of the district's prominent figures.

Before the protocol was signed, similar documents had been signed with each of the nine rural administrations covering all of the district's villages.

At a crowded rally in the center of Shatoy, the district's irregulars have surrendered three armored personnel carriers, an infantry fighting vehicle, many rifles, and ammunition to representatives of the federal forces. Six Russian POW's out of 28, who are to be handed over to the federal command, were handed over to the federal forces on 11 February. They were sent to a regiment stationed in Shatoy district. The other POW's will he handed over in the next two or three days.

For its part, the Russian Interior Ministry's interim directorate in Chechnya is setting free the detained residents of Shatoy district. In line with an edict by the Russian president, they are given documents on legal guarantees for members of illegal armed formations.

Russia: Novogroznenskoye Shelled; Chechen Leader Zavgayev Present

LD1102201496 Moscow ITAR-TASS in English 1839 GMT 11 Feb 96

[By Oleg Artyushin]

[FBIS Transcribed Text] GROZNYY, February 11 (ITAR-TASS) — Several shells hit the central part of the Chechen village of Novogroznenskoye in early hours of Sunday [11 February].

According to witnesses, the shells blasted at the marketplace and in adjoining areas.

Chechen government head Doku Zavgayev and North Caucasian military district commander General Anatoliy Kvashnin were in the village at the time of the shelling.

They promised a rapid investigation of the incident by Chechnya prosecutor's office.

Kvashnin examined shell fragments from the hit sites and denied that federal troops were behind the shelling.

Political Reaction

Russia: Zavgayev, Kvashnin on New Initiatives To Solve Conflict

LD1102223796 Moscow ITAR-TASS World Service in Russian 1809 GMT 11 Feb 96

[by ITAR-TASS correspondent Oleg Artyushin]

[FBIS Translated Text] Groznyy, 11 Feb (ITAR-TASS) — Doku Zavgayev, the leader of the Chechen republic, and Anatoliy Kvashnin, the commander of the North Caucasus Military District, have proposed new initiatives aimed at settling the crisis in the Chechen republic during their visit to the village of Novogroznenskiy, Gudermes district, today.

At a meeting with the district's top officials and Vakhid Murdashev, the commander of the Gudermes group of Dudayev's formations, Zavgayev firmly said that "Dudayev's regime will no longer live off the Chechen people." Time has come to do away with a policy that has led the republic to "political isolation and economic self-asphyxiation," he said.

Zavgayev proposed that representatives of the village of Novogroznenskiy and of the neighboring villages, and also opposition activists consider the possibility of signing a document, using the experience of Shatoy District, on normalizing relations with the federal forces. The forces' withdrawal will be possible after that. Zavgayev said that he will be prepared to act as a guarantor of such an agreement.

Zavgayev voiced support for developing self-government in the republic and put forward a proposal to endorse those people, who are being supported by the population, as heads of administration of villages .

He added that for the law and order in the district to be maintained, the local police, comprising, at present, one-third of the necessary force and having one automatic machine per every three policemen, should be brought to a full strength. Zavgayev said that it was necessary in to have five militiamen in every village who would be elected by the people.

General Kvashnin, however, announced his readiness to provide the policemen with arms and clothes.

General Kvashnin proposed that firearms be confiscated from the population handed over to a local Muslim priest or some other respected resident for storage in order to ensure the security of the residents of Novogroznenskiy and of nearby villages. He added that as a first step they could have kept weapons at home, without taking them out to the streets.

Kvashnin expressed readiness to conduct talks with the opposition leaders, but strongly refused to negotiate with Aslan Maskhadov, having described him as a cheat.

Russia: Chechen Leader Zavgayev Holds News Conference

LD1002213196 Moscow Russian Television Network in Russian 1700 GMT 10 Feb 96

[From the "Vesti" newscast]

[FBIS Translated Text] Doku Zavgayev, the head of the Chechen Republic, held a news conference at Chechen Government headquarters today.

[Correspondent G. Nikolayev] Two subjects come up most often in the Chechen Republic at the moment: the planned partial withdrawal of federal forces and the marathon rally by Dudayev's supporters in central Groznyy. Referring to the withdrawal of forces, Doku Zavgayev disclosed that the first battalion would leave Shatoy District as early as Sunday [11 February]:

[Begin D. Zavgayev, head of government of the Chechen Republic, identified by caption, recording] Naturally, the main prerequisites for the forces to withdraw to their permanent basing areas are stability and strong local authorities who must reliably defend people from any tyranny. Such a situation is shaping up in Shatoy District. [end recording]

[Nikolayev] However, Zavgayev believes that the pro-Dudayev opposition intends to wreck the peace process. That is why the rally outside the presidential palace was staged.

[Begin Zavgayev recording] The organizers know what they are doing. The people they are inviting to attend are, by and large, deluded. Sometimes they are even saying that this is what the government wants. They are gathering these people there and initiating the things which you have seen going on there. Once again, they are fomenting separatism and extreme nationalism. [end recording]

[Nikolayev] But the head of the Chechen Republic considers that the organizers have miscalculated. Negotiations have begun with the demonstrators. Force should not be needed. Doku Zavgayev also disclosed that the 28 federal servicemen [being held hostage] may be released on Sunday. This process should also develop successfully since a special state commission has been set up, with people who are very authoritative in the republic among its members. [video shows Zavgayev news conference, demonstrators]

Russia: Justice Minister Rules Out Political Talks With Dudayev

LD1002135796 Moscow ITAR-TASS World Service in Russian 0707 GMT 10 Feb 96

[By ITAR-TASS correspondent Oleg Velichko]

[FBIS Translated Text] Moscow, 10 Feb (ITAR-TASS) — "Political talks with Dzhokhar Dudayev must be ruled out," Russian Justice Minister Valentin Kovalev told ITAR-TASS in an exclusive interview. But talks on granting amnesty for the gunmen and surrendering arms are a different matter, he said. "I see no legal or political obstacles to this," he said.

According to the minister, Dzhokhar Dudayev's status may be described as "a defendant." "It is obvious for me, as a legal expert, that Dzhokhar Dudayev must be taken to court. This must happen without fail," he said.

Kovalev thinks there is every reason to believe that "no serious political forces are backing" Dudayev. He said the illegal armed formations in Chechnya have no single command or leadership. "In the circumstances, it would be appropriate to hold direct talks with the field commanders," the justice minister said.

Russia: Yeltsin Instructs Premier To Set Up Chechnya Commission

LD1002135996 Moscow ITAR-TASS in English 1338 GMT 10 Feb 96

[FBIS Transcribed Text] MOSCOW, February 10 (ITAR-TASS) — Russian President Boris Yeltsin has instructed Russian Prime Minister Viktor Chernomyrdin to set up a Commission on Chechnya in two-days' time to work out most effective ways of resolving the crisis in Chechnya.

A report issued by the Presidential Service which came to Itar- Tass today said that the Commission chaired by Viktor Chernomyrdin should sum up and analyze a big number of appeals addressed to the President by heads of the executive and legislative bodies of the subjects of the Federation, political parties, public organizations and private individuals who suggested possible ways of peaceful settlement of the crisis in the Chechen republic.

The Commission is to submit its proposals in a fortnight.

Russia: Yeltsin Instructs Premier To Examine Chechen Fund Use

LD1202101996 Moscow ITAR-TASS in English 0934 GMT 12 Feb 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] Moscow, February 12 (ITAR-TASS) — President Boris Yeltsin instructed Russian cabinet head Viktor Chernomyrdin on Monday to organise examination of the purpose-oriented use of funds appropriated for restoration of the Chechen economy and the social sphere.

ITAR-TASS learnt from the Russian president's press secretary Sergey Medvedev that examination of progress in restoration work in Chechnya shows that there are considerable drawbacks and shortcomings in its execution.

According to Medvedev, hitches in financing restoration work and wage arrears to builders are the main drawbacks. Not all funds are allocated to cover the deficit of the Chechen budget.

The situation is especially critical with financing restoration work and social payments to Chechen population.

Today's instruction by the Russian president was prompted by the fact that control over the use of money, appropriated by the federal budget for the Chechen Republic's needs, is insufficient.

Russia: Mikhaylov: Talks Not Ruled Out With Dudayev's People

LD1102212796 Moscow Russian Public Television First Channel Network in Russian 1900 GMT 11 Feb 96

[From the "Sunday" program by announcer Nelli Petkova]

[FBIS Translated Text] The appointment of none other than Viktor Chernomyrdin to head the group investigating various options for resolving the Chechen problem gives one an insight into President Yeltsin's possible initiatives on Chechnya. Only a month ago, the prime minister came under heavy criticism for his concessions during the siege of Budennovsk. However, it is now clear that it is precisely Viktor Chernomyrdin who is among the few politicians trusted by the liberal part of the political spectrum. Moreover, Dudayev's people also find him acceptable, to a certain extent.

It is quite possible that the president will announce the start of talks between a delegation of the federal authorities and Dudayev's supporters and that he will announce a gradual, stage-by-stage withdrawal of the federal troops from Chechnya. It is more than likely that this troop withdrawal will depend on tangible results of the talks with Dudayev's people.

The Russian Ministry for Nationalities' Affairs and Regional Policy has confirmed this scenario. The head of the ministry, Vyacheslav Mikhaylov, was at one time in charge of the federal delegation to the talks in Groznyy. Mikhaylov thinks he will again be needed in this capacity very soon now.

[Begin recording] [Mikhaylov] I head the group set up by a government decision in charge of preparing a number of proposals to normalize the situation. Joint talks are what is needed here, with the participation both in the dialogue and in the negotiating process of representatives of all branches of power, or, shall we say, of the federal structures, the participation, without fail, of representatives of the government of Duday... [pauses] well, let us just say of the government or other structures of Dudayev, because he is in control of a certain part of the territory and has influence over a certain part of the territory, you have here, without fail, those representing the government of Doku Zavgayev, well, there you are, this triangle alone can resolve the issue.

However, when we do decide on something, it is necessary for this decision to be implemented. That is why we put forward another thesis — to expand talks with the field commanders. There is Maskhadov, Yelayev, Zakayev, the latter being a member of the negotiating group. So talks must be conducted with them, talks with these field commanders must be conducted.

The first task of any talks — and I think that this currently represents the most rational way — is to halt terrorism and bloodshed alike. I think that the special supervisory commission must be activated forthwith.

However, a very serious problem arises here, concerning Maskhadov. To this very day it is unclear to me. Maskhadov is co-chairman of this special supervisory commission, but certain facts connected with the events in Gudermes, Kizlyar, and Pervomayskoye should be gone into to elucidate Maskahdov's role with utmost clarity in this regard.

Personally, as someone who worked with him for three months and who knows him, I am not persuaded that absolutely everything that the media and statements attribute to Maskhadov is strictly correct. When our media put out their reports, it is not Maskhadov who is doing the speaking, merely his portrait is shown and words are read out. From other sources I am told that Maskhadov did not say these things. A proper elucidation of this situation is now essential.

[Petkova] Formally you are still the head of the delegation to the talks in Groznyy.

[Mikhaylov] Yes, I am the head of the delegation and the delegation exists with its membership intact.

[Petkova] If the delegation exists, it means that should the talks resume, you will again head the delegation, is that not so?

[Mikhaylov] If the talks resume, yes. When will I fly to Groznyy? Well, I think that maybe I will be there during this month without fail.

[Petkova] For talks?

[Mikhaylov] Well, there may be various reasons, but I think that in one way or another they may be linked with the fulfillment of the concept we will elaborate. [end recording]

Russia: Yeltsin Aide Opposes Troop Withdrawal From Chechnya

LD1102153196 Moscow INTERFAX in English 1402 GMT 11 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 11 (INTERFAX) — Chief of the Russian president's Staff Nikolay Yegorov told the public in Murmansk that certain forces were putting pressure on President Yeltsin in an attempt to have the federal troops removed from Chechnya.

Yegorov arrived in Murmansk on February 10 and returned to Moscow in the evening the same day.

He said those forces were proposing that following the withdrawal, Chechnya be blocked so as to exclude Dudayev's external contacts. "This is an absolutely unrealistic proposal," said Yegorov.

"A simple withdrawal of the troops will only lead to bloodshed in Chechnya and cause a sharp rise in the nationalist moods in the Caucasus," he said.

He admitted, however, that there are also diametrically different proposals on settling the Chechen problem, including the idea of eliminating Dudayev's formations "at one go."

He said that the illegal formations must really be eliminated. However, to do so, the troops must be trained more professionally and equipped with all they need, he said.

Besides military methods, measures must be taken to restore the civil system of authority and elect government bodies at all levels, said Yegorov.

Russia: Army Paper Warns Against 'Populist' Solution in Chechnya

MK1002151596 Moscow KRASNAYA ZVEZDA in Russian 10 Feb 96 p 2

[Report by Aleksandr Golts: "Chechnya: Populist Decisions Are Dangerous"]

[FBIS Translated Text] All the events which took place in the past week are proof of the deplorable fact that the life of the country over the next several months will be governed by the fight for the presidential chair. Having started to have it out at the world economic forum in Davos, candidates for the role of head of state and their supporters continued the showdown at the State Duma meeting in Moscow, which incidentally was intended to deal with the formulation of the agenda of the country's supreme legislative body rather than the propagation of political programs. It follows then that both lawmaking and, in general, any more or less significant problem of public life will become a battlefield where the candidates will be fiercely fighting. Well, there is not even any need to ask whether anything useful can spring from such a field.

It is also obvious that the entire electoral fight will be based on clearly unattainable populist decisions and promises. Among other demands likely to be used as electoral campaign banners, an appeal to have "the war in Chechnya stopped immediately" should be mentioned. Many thousands of potential voters are now putting their signatures under this appeal.

I would not like in the least to look like a proponent of this, frankly speaking, failed war, for which Russia was unprepared economically, politically, and morally. However, will the immediate withdrawal of troops — on which those who are collecting signatures are insisting — put an end to the war itself? After all, as one wise person said, it only seems that people choose war. In reality, it is war that chooses people. In other words, in this case will the true reasons that actually led to the start of military actions be eliminated?

Even if someone remained unconvinced after the events in Budennovsk and Kizlyar, the latest interview with Dzhokhar Dudayev, full of threats to both a neighboring republic and now Western Europe, leaves no doubts as to the essence of his regime and those who are fighting for it. If these gangster formations, backed by supporters in the near and far abroad (the seizure of a ship in Turkey and the fact that gunmen are taking a rest in Ukraine confirm that there are many of them), are "left in peace," the problem of Chechen terrorism will become not only a Russian, but also a worldwide one, since gangsterism is in fact the only form in which this regime can exist (of course, I do not mean the Chechen people at large).

Now they will not be easily satisfied. The gangster communities, who first robbed passing trains and seized buses, now take whole cities hostage. The progress is obvious, and only very naive people can believe that gangsters can be pacified by giving up a direct armed fight against them. In Chechnya itself, which has never had resources for an independent life, there is nothing for gangster formations to live on. Now, however, they know well enough how much they can get by seizing not even a bank, but just a maternity hospital.

Are any negotiations with Dudayev and his company possible? Will they be of any use? The experience of the summer talks, which ended in signing an agreement, shows that Dudayev's gangsters did not take them seriously. They used the respite given to them in a very efficient way, having regrouped and infiltrated into settlements. In general, they regard any wish for a compromise as a sign of weakness. The head of the republic, Zavgayev, had only hinted that the federal forces might be withdrawn from districts where some stability was reached, and immediately an endless meeting was hastily organized in the center of Groznyy, which is about to develop into armed provocations.

The implementation of the idea to leave Chechnya on its own, having shut it off by a solid impenetrable border, is likewise hardly feasible. This is above all impossible, taking into consideration to what extent Russian power structures have been emasculated and deprived of resources. After all, even Pervomayskaya could not be properly blocked, to say nothing of hundreds of kilometers of border with Chechnya.

Incidentally, we cannot limit ourselves to this either. If Russia is the main source of funds essential for the existence of Chechen gangster formations, what can prevent them from penetrating through the transparent borders between Russia and other CIS republics? If it were not for the notorious transparent borders, would there be any need for Russia to keep its troops in Tajikistan, where a civil war is likely to break out? There are, however, thus far no borders, and no one can say where hundreds of trillions [currency not specified] can be found to set them up. For the time being, the only way to counteract the spread of chaos and terrorism is to deploy troops in "hot spots."

Those people who believe that the Chechen problem cannot be solved by purely military means are certainly right. It is essential that not only infrastructure be restored in the republic, but also that new enterprises be created there. Then, people should at least be able to have some work. Incidentally, the agreement with

Azerbaijan on the pumping of Caspian oil provides good chances for this. It is, however, simply senseless to try to rebuild the republic without having the gangster formations eliminated. Enormous funds will simply be stolen away by the gangsters themselves or by those who will shift the blame for their own crimes onto them. So the gangs have to be first done away with.

Clearly, the president is in a difficult position now, since it is hard to hold an election campaign (and Boris Yeltsin will most probably run for the presidency) with such a burden as the war in Chechnya. It is, however, equally impossible to end it immediately. It was not by chance that the discussion of the Chechen problem at the Security Council meeting this week has been given so little media coverage. Although all of us are anxious to restore peace in Chechnya and in Russia, there are no miraculous means to do so. The troops can be withdrawn only when we can feel sure that Chechnya presents no threat to the security of Russia.

Russia: Bashkir President Criticizes Chechen Signature Campaign

LD1102155196 Moscow INTERFAX in English 1402 GMT 11 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 11 (INTERFAX) — President of Russia's internal republic of Bashkortostan Murtaza Rakhimov has said he sees the initiative to collect signatures supporting end to war in Chechnya as "speculative."

The initiative has been put forward by Nizhniy Novgorod Region Governor Boris Nemtsov.

Rakhimov told INTERFAX that he considered this initiative as Nemtsov's desire to advertise himself on the eve of the election campaign for presidential polls. "I fail to recall whether Nemtsov protested the introduction of federal troops to Chechnya a year ago," Rakhimov said.

At the same time, Rakhimov said nobody in Russia doubted that Chechen war must be stopped. "Troops must be withdrawn" from Chechnya, he said. Rakhimov said he believed that the outcome of forthcoming presidential elections for present Russian President Boris Yeltsin largely depended on federal troop withdrawal from Chechnya.

Hundreds of millions of signatures could be collected but "the question is if it will stop war or resolve the Chechen problem as a whole," Rakhimov said.

"The country's leadership must create conditions enabling the Chechen people to determine their choice themselves and build their future in accordance with that choice," Rakhimov said.

Russia: Decree on Chechen Oil, Gas Industry Development Eyed

MM1202092396 Moscow ROSSIYSKIYE VESTI in Russian 9 Feb 96 p 2

[Unattributed report from the "Monitoring of Government Decisions" column: "Targeted Programs. Chechnya's Oil Complex Is Being Revived"]

[FBIS Translated Text] The Russian Federation Government has adopted a decree "On Urgent Measures To Develop the Chechen Republic Oil and Gas Complex in 1996." The document envisages the formation, based on the property of oil and gas extraction plants and refineries, of the "YUNKO" state unitary enterprise with economic jurisdiction. It has been recommended that unitary subsidiaries based on some of its property should be formed. The relevant departments have been instructed to grant enterprises in the Chechen Republic oil complex a deferment until the end of 1996 in paying off their debt to the federal budget, with a deferment and installment procedure for paying off the penalties incurred.

CIS: Russia, Ukraine, Crimea Join Conference on Integration

MK1002135796 Moscow NEZAVISIMAYA GAZETA in Russian 10 Feb 96 p 3

[NEGA report: "Crimea"]

[FBIS Translated Text] An international conference entitled "Integration Processes in the CIS in Light of Economic and Political Results of 1995" opened at Yalta's "Miskhor" sanatorium yesterday. Taking part in the conference are parliamentary delegations from Ukraine, the Russian Federation, and the Autonomous Republic of Crimea. Belarus Supreme Council deputies did not come for the conference. It is planned to found an association of integration forces of the CIS, pass its charter, and create an organizational group to expand the association's ranks by admitting parliamentarians from other CIS countries.

CIS: ITAR-TASS Carries Press Review for 10 Feb 96

LD1002074196 Moscow ITAR-TASS in English 0645 GMT 10 Feb 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, February 10 (Itar-Tass) — "ROSSIYSKAYA GAZETA" carries an interview with leader of the NDR faction Sergey Belyayev. Asked what goals he has set forth in his new post, Belyayev said: "There is only one goal. First, not allow to weaken the state. Such methods, as chanting slogans and displaying cheep populism are used by many especially against the background of a Presidential campaign, which might lead our country to a collapse. Second, I want to ensure further advance of reforms to enable the country to carry them through to the end. I would like to point out that it is not only economic reforms which are underway. It is the process of the reform of our country and our society which is going on."

In an other article devoted to the developments in Chechnya the newspaper publishes an interview with the chairman of the Russian State Committee for Industrial politics Salambek Khadzhiyev, who had been in charge of the Chechen government of national revival after the ouster of Dudayev's supporters. Commenting on the recent elections of the head of Chechnya he said that there are two sides to this coin. The elections, to a certain extent, have stabilized the situation from the pint of view that Dudayev and his entourage turned out to be in political isolation. They could foresee this developments and tried to foil the elections but failed to take into account peculiar features of the Chechen mentality. If a Chechen decides to do anything he would do so no matter whatever the cost might be. On the other hand, the elections have to a certain extent played a destabilizing role since for the first time throughout the crisis that people were directly set at loggerheads. I agree that the elections should be held as soon as possible, but on condition provided a preliminary agreement was reached with all the sides concerned," Khadzhiyev said.

"IZVESTIYA" carries an article entitled "KPRF — party of Russia's anti-choice" in which the newspaper partially takes over a stance taken by former Russia's deputy Premier Anatoly Chubais which he took in Davos with the aim to expose the tactics of double standards used by KPRF leader Gennadiy Zyuganov. The newspaper says that Zyuganov says one thin to the West and the other thing to the Russian audiences. However, "IZVESTIYA" lays the main emphases on exposing the platform of the KPRF, i.e. the Communists' intentions if the happen to be in power. This party which considers itself to be a successor to the former CPSU is, in fact not repenting any of the terrible crimes committed in the past.

The "Red Star" [KRASNAYA ZVEZDA] daily carries an interview with deputy commander-in-chief of the Russian Navy Admiral Aleksandr Gorbunov, who said "that a small number of ships and naval personal, which had never exceeded 40-50 per cent, the absence of fuel and lubricates and a poor level of ship overhaul have led to a critical situation when in 1993 the naval fleet was not able to perform even half of the necessary tactical exercises and scheduled tasks The decline in the number of exercises was accompanied by higher rates of the dropout of the personnel from the Navy, which negatively affected the moral and psychological condition of naval marines of all categories and the quality of their training, which resulted in serious drawbacks in the performance of combat tasks."

"RABOCHAYA TRIBUNA" publishes an interview with leader of the Russian public movement "Reforms-a new course" Vladimir Shumeyko, who believes that Russia is currently at the crossroads. Which way Russia will take? It is not only the fate of the Russian people, but the very existence of the state as an independent, strong and democratic country, which depends on this choice. One way, which is possible, is that Russia might turn into an agricultural attribute to the West with all the consequences ensued, which is the most pessimistic option. The other way is that we shall break through from the crisis, revive our economy and Russia will take its place among the great powers, the newspaper quoted Shumeyko as saying.

"KOMSOMOLSKAYA PRAVDA" reports that court proceedings on the Grachev-Poegli case have been resumed by the Moscow city court. The general prosecutor's office found out that the two Mercedes cars had been acquired by Grachev under strange circumstances.

"SOVETSKAYA ROSSIYA" carries an interview with former regional head of the Ivanovo region Adolf Laptev who was relieved from his duties. The newspaper quoted Laptev as saying that the most important thing now is to restore a profit-making economy.

Russia: Primakov Stresses Equality of U.S.-Russian Talks

LD1002181696 Moscow NTV in Russian
1600 GMT 10 Feb 96

[From the "Segodnya" newscast]

[FBIS Translated Text] U.S. Secretary of State Warren Christopher and newly-appointed Russian Foreign Minister Yevgeniy Primakov held negotiations in Helsinki today. In the run-up to this meeting, observers were commenting that the U.S. Government is mistrustful of Primakov, who formerly headed the Russian Secret Service. Primakov was expected to try and dispel these prejudices and establish warmer relations with Christopher, although it was planned to discuss very difficult subjects — NATO expansion, arms control, the situation in the Balkans, the conflict in some Caucasian regions, Tajikistan, and Afghanistan. Our special correspondents report from Helsinki.

[Correspondent Aleksandr Zinenko] [Video shows Primakov and Christopher meeting, fire engine, photo calls, news conference] Yevgeniy Primakov left his hotel to greet Christopher. The secretary of state came to the Russian minister for an informal chat with him over dinner the day before the official talks. Just about this time, the fire alarm went off in the hotel by mistake. The firemen left after making sure it was a false alarm. Thus, the first meeting between Christopher and Primakov began.

Not so long ago, Christopher said he had no grounds to be wary of Primakov. Many people in the West regard the new Russian foreign minister as a supporter of a tough foreign policy line.

For Christopher, the main task was to establish personal contact with Primakov. The negotiations between Kozyrev and Christopher were somewhat reminiscent of a conversation between a respectful nephew and his uncle. The meeting in Helsinki produces a wholly different impression. Primakov, who is only four years younger than Christopher, tried to emphasize that they were equal partners.

After the negotiations, Primakov confirmed Moscow's adverse attitude to NATO expansion, while declaring that the disagreements should be overcome without confrontation.

At the joint news conference, questions were mainly addressed to Primakov. Afterward, Christopher drove off to his hotel to hold a separate news conference. Learning of Christopher's plans, Primakov decided to meet the Russian press. He declared he will defend Russia's interests.

[Begin Primakov recording] Defending state interests is an obligatory element of the way we approach all problems and solve all problems. We cannot deviate from this by an inch, I believe. At the same time, whether one shows toughness or softness is a matter of tactics. [end recording]

[Zinenko] Primakov said he was satisfied with the results of the meeting, and described Christopher as a major statesman.

The negotiations were held in the government residence, Kalastajotorppa, which means fisherman's hut, four miles from the city on the shore of the Gulf of Finland. Primakov lamented that he had had no time to go for a stroll with Christopher.

Russia: Primakov, Christopher Agree on ABM Treaty Approach

LD1002145396 Moscow ITAR-TASS World Service
in Russian 1301 GMT 10 Feb 96

[By ITAR-TASS correspondent Vladimir Mostovets]

[FBIS Translated Text] Helsinki, 10 Feb (ITAR-TASS) — During their meeting in Helsinki, Russian Foreign Minister Yevgeniy Primakov and U.S. Secretary of State Warren Christopher have agreed to join the efforts of experts of both countries to work out a unified approach to the implementation of the Treaty on Limitation of Anti-Ballistic Missiles Systems (ABM) of 1972, Primakov told ITAR-TASS today after talks with his U.S. counterpart.

Primakov said that this issue emerged when the State Duma was discussing the future ratification of START II, which has already been ratified by the U.S. Senate. "Our stand is clear. The document has been passed on to the State Duma and we believe it must be ratified.

At the same time, there are some doubts voiced by the Duma, and some of these doubts seem to me justified," he said.

The minister pointed out that it is necessary to do everything possible to ensure that the ratification proceeds in conditions when there is no return to revising the ABM treaty. And, therefore, what comes to the fore now is the need for a clear demarcation between tactical and strategic ABM systems. Tactical antimissile defense weapons can be developed and be allowed to exist, but strategic ones are banned by the treaty. Therefore, the U.S. state secretary and I agreed to give the appropriate stimulus to talks on demarcating these two types of ABM. Specialists will be brought in to the work, and they will work toward agreement at the level of experts, carefully discussing all the details and taking part in the negotiating process. So that this is not simply a political decision," Ye. Primakov stressed.

Russia: Primakov Positively Assesses Talks With Christopher

LD1002132496 Moscow Russian Public Television First Channel Network in Russian 1200 GMT 10 Feb 96

[From the "Novosti" newscast]

[FBIS Translated Text] Russian Foreign Minister Yevgeniy Primakov and U.S. Secretary of State Warren Christopher held a joint news conference in Helsinki today on the results of their talks. At the news conference, Primakov said in particular:

[Begin Primakov recording] I should also like to stress that we examined a whole range of issues. Among them are such questions as the Middle East settlement, the architecture of European security, and the situation in the Asia-Pacific region. I would like to stress that clearly, as I see it, we have settled the differences of opinion regarding the processes of objective integration that are taking place and will continue to take place on the territory of the CIS countries. Our meeting was extremely useful, in my view. I am expecting you, Mister Secretary of State, in Moscow around 20 March on an official visit, during which we shall continue our conversations. I think this is a good start for the development of relations between our two countries. [end recording]

Russia: Primakov Returns to Moscow Following Helsinki Talks

LD1002182296 Moscow Russian Television Network in Russian 1700 GMT 10 Feb 96

[Video report by correspondent M. Velikoselskiy in Helsinki, with recorded comments by Russian Foreign Minister Yevgeniy Primakov; from the "Vesti" newscast]

[FBIS Translated Text] [Velikoselskiy] Talks have just ended between the Russian foreign minister and the U.S. secretary of state. Diplomats believe their dialogue was constructive and, in spite of disagreements on a number of issues, they spent seven very useful hours discussing all the topics on their agenda. After dinner, Yevgeniy Primakov met President Martti Ahtisaari of Finland. There were no disagreements at those talks. It was noted that the long-standing friendship between the Russian and Finnish peoples was growing steadily stronger.

[Primakov] Our bilateral relations are quite strong, are developing well. I believe we have no political or territorial problems. As far as economic questions are concerned, we have just held very important talks that have advanced our economic relations.

[Velikoselskiy] This evening Yevgeniy Primakov returned to Moscow. [video shows Primakov and Christopher shaking hands across a table, then Primakov meeting Ahtisaari, interview with Primakov, street scenes in Helsinki]

Russia: Karasin: Finland 'Understands' Moscow's NATO Stance

LD1102162996 Moscow INTERFAX in English 1402 GMT 11 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 11 (INTERFAX) — Finland understands "all of Moscow's arguments" against NATO's plan to expand eastward, Russian Foreign Ministry spokesman Grigoriy Karasin told INTERFAX Saturday after a meeting between Russian Foreign Minister Yevgeniy Primakov and Finnish President Martti Ahtisaari in Helsinki.

During the meeting Primakov stated "Russia's firm position" regarding that problem, Karasin said.

Primakov also said Moscow sought normal relations with the Baltic countries. He said Russia was interested in Helsinki's contribution to normalization of relations between Russia and the Baltic states because Finland "traditionally has significant influence on these countries," according to Karasin.

The Russian foreign minister and the Finnish president exchanged opinions on prospects for formation of a system of pan-European security and maintenance of stability in the Baltic Sea region and entire North Europe, Karasin said.

"The parties spoke out against approaching the problem from the point of view of blocs or opposing some European countries to other European countries," Karasin said.

Primakov returned to Moscow from Helsinki Saturday.

Russia: Primakov Signals Shift in Moscow's Foreign Policy

MK1002123796 Moscow KOMMERSANT-DAILY in Russian 10 Feb 96 pp 1, 3

[Report by Valeriya Sycheva: "Moscow's New Face Is Familiar to Us"]

[FBIS Translated Text] Yesterday evening Russian Foreign Minister Yevgeniy Primakov for the first time met with his U.S. counterpart Warren Christopher — at an informal dinner party in a Helsinki suburb. Official negotiations are scheduled for today, and then a joint press conference will be held. The questions to be discussed include preparations for Bill Clinton's April visit to a Moscow "G-8" summit on nuclear security and the implementation of the Dayton agreement on Bosnia, but the main subject will, without doubt, be NATO's eastward expansion, which has substantially complicated the Russian-U.S. dialogue recently.

The tonality of the meeting was largely defined by the approaching presidential elections in Russia and the United States: Any sharp moves forward could be perceived by Yeltsin's or Clinton's enemies as a sign of weakness. Therefore, the first rendezvous between the heads of Russian and U.S. diplomacy is unlikely to be capped with a breakthrough in bilateral relations.

The task before Primakov, who is among the first to represent to the Americans a Russia with a left-leaning Duma, is far from equivocal. First of all, he is again to convince Washington both of the immutability of reform and that the struggle for the voter in the run-up to the elections will not result in backtracking from the former course (Premier Chernomyrdin recently offered such assurances in the United States, but Christopher will certainly wish to please Washington with additional guarantees). At the same time the head of the Russian Foreign Ministry is to show that although still seeking cooperation with the West, the new Moscow is capable of upholding its own interests more decisively. Projected to the internal preelection situation in Russia, this means pleasing both the patriotic parliamentary lobby (which severely criticized Kozyrev for "selling out to the West") and their opponents.

The main thing here is to preserve the right balance, which is a very delicate matter. True, the ex-chief of Russian Federation foreign intelligence has plenty of circumspection and the ability to bypass underwater reefs.

The first debut moves have already been played: Primakov has met with his French and German colleagues. And the fact that both meetings took place in Moscow (Primakov rejected the protocol invitations to visit them which followed his appointment on 9 January, citing an unscheduled tour of the CIS) did not pass unnoticed in the West, although the effect was apparently calculated for the "domestic consumer" — as was the flight aboard a regular airplane from Kiev to Minsk. True, Primakov went to Helsinki on a special government flight from Vnukovo-2 airport.

Will the demonstration of Moscow's new face to the West be confined to "cosmetics"? At any rate, it is clear that no sharp moves have been planned (as the minister himself observed in jest, he would not like to become persona non grata in the West). Yet Moscow does not seem prepared to adopt a wait-and-see attitude. Shortly before his departure, speaking at a Duma International Relations Committee session, Primakov outlined Russian strategy and tactics on the issue of NATO expansion. Of course, he admitted, Russia "is not going to bang its fist on the table" or try to veto the question of NATO expansion, because such a veto simply does not exist. That said, he stressed that bringing NATO's military infrastructure closer to Russian borders runs counter to its national interests. And Moscow is determined to uphold them. But without slipping into a cold war. Primakov believes that this problem can be resolved. But Russia does not agree with the Western recipe for removing tension around NATO enlargement plans (it provides for putting their implementation on hold for a year). According to Primakov, this pause should be used not for preparations for the admission of new members to the alliance, but to search for "mutually acceptable solutions, taking into account the concerns of both Central and East European states and Russia." Russia's relations with the West, Primakov stressed, should be built on the basis of an equal partnership.

What steps is Russia going to take in this direction? Proceeding from Primakov's description of the main trend of world evolution (the head of the Russian Foreign Ministry described it as "a transition from a bipolar to a multipolar system"), what he said in the Duma boils down to this: Moscow intends to form and consolidate a certain anti-NATO pole, presumably with the main emphasis being placed on the CIS. These plans conform with Primakov's first foreign tour to the "near abroad." It seems that people at the Foreign Ministry are now looking more attentively through the windows of the Smolenskaya Square building to the East — at Moscow's old partners. This conclusion follows from the minister's words that Russian policy "should be oriented not only toward the West, but also toward Eastern countries, in particular India and China." True, this was also said under Kozyrev....

Russia: Foreign Minister Primakov Profiled

BR1202094896 Brussels EUROPEAN VOICE in English 8-14 Feb 96 p 12

[Unattributed profile of Russian Foreign Minister Yevgeniy Primakov: "'Hard-Liner' With a Subtle Touch"]

[FBIS Transcribed Text] When Boris Yeltsin was searching last month for a replacement for Russian Foreign Minister Andrey Kozyrev, analysts in Moscow said the ideal candidate must have three qualities — he (or she) must have Yeltsin's trust, win the respect of the new, pro-nationalist parliament and maintain good relations with the West.

It sounded like the resume of a tightrope walker — and, by all accounts, Yevgeniy Primakov fits the bill. For, if past experience is anything to go by, he is capable of walking a fine line and reaching the far end safely.

After all, 66-year-old Primakov not only survived, but thrived, under the successive regimes of Leonid Breshnev, Mikhail Gorbachev and Boris Yeltsin, gaining stature and prestige as each came to prominence with a changing ideology.

Always straddling the bridge between outsider and insider, Primakov's was not a household name before last month. He did not even figure in lists of possible successors to Kozyrev put forward by Kremlin-watchers.

When he was chosen on 9 January, newspapers in the West expressed shock at the naming of the nation's 'spy-master' to its top diplomatic post. Primakov, who had spent the past four years as head of Russia's External Intelligence Service — one of the organisations which succeeded the KGB — seemed an alanning throwback to a previous era of Soviet Union history.

Yeltsin's promises that his choice did not signify a shift in Russian foreign policy were not enough to curb concern about the man described variously as a "hardliner", "nationalist" and, worst of all, "anti-Western".

Primakov's first public appearances after being appointed to the foreign ministry did nothing to dispel those concerns. Stressing Russia's greatness and refusal to stoop to foreign powers, he said his priorities were to ensure that it kept its status as a "great power" and to "stop all those who would like to see the world monopolar". He has also made clear his opposition to former Communist bloc countries joining NATO.

But despite his growls, fears of the Russian bear may be exaggerated. His foreign policy statements already show more subtlety than might be expected of a "hardliner".

And, although not the architect of such policies, Primakov has already overseen the signing of accords authorising the deployment of Russian troops alongside American ones in Bosnia and expressed support for the START II treaty, aimed at slashing long-range nuclear arsenals, which was recently approved by the US Senate.

Can the new foreign minister continue to grumble about the outside world and still keep his country's foreign relations on an even keel?

The two may seem contradictory to Westerners, but not to those in his native country — all Russians complain that their nation is being looked down on as one which has fallen from power and, say observers, "Primakov shares that resentment".

But the new foreign minister, known for a *realpolitik* and an opportunism that override ideology, may need his pragmatism more than ever as Yeltsin courts a Communist-dominated parliament and voters swept up in a wave of nationalism.

Those who have followed Primakov's career expect him to embody a mixture of ideas. He has, after all, spent most of his professional life dealing with ideas. After graduating in 1953 from the Moscow Institute of Oriental Studies, where he wrote a dissertation on Egypt, Primakov went on to work as a journalist. Employed as editor-in-chief at the state broadcasting committee, he brought his ideas to radio and television. The state then sent him to Cairo, his base while Middle East correspondent for PRAVDA.

Returning home in 1970, Primakov joined the USSR's Academy of Sciences, becoming its deputy director before leaving in 1977 to direct the oriental studies institute from which he had graduated 24 years earlier.

But it was during the second half of the Eighties that Primakov made his name as director of the Institute of World Economy and International Affairs (IMEMO), a vast office of some 2,000 people recognised as one of Russia's most prestigious think-tanks.

"It was a place where people could go a little further than what was permitted by the regime," said a Western diplomat posted there at the time.

Primakov turned IMEMO into the nerve-centre for Gorbachev's startling economic and political reforms which culminated in the Westward thawing renowned as *glasnost*.

Joining the president's inner circle, he accompanied Gorbachev to summits, including a trip to meet the then US President Ronald Reagan in Reykjavik for a showdown over reductions in their respective nuclear forces.

But IMEMO members do not remember him in glowing terms. "People at IMEMO thought he was a 'careerist' — that's a term of abuse there," said one.

Primakov formally crossed the line from academia to politics in 1989, when he became a member of the Presidential Council. Gorbachev relied on him and repeatedly sent him to Iraq in attempts to prevent the Gulf War. Primakov, a close friend of Saddam Hussein's Foreign Minister Tariq Aziz, was known to be sympathetic to the Iraqi cause.

Despite his central role in government circles, Primakov managed to keep himself in the shadows enough to preserve his political freedom. "I met him often at meetings, but he never made an impression. I'm not sure I'd even recognise him now," said a Western military attache based in Moscow at that time

Primakov did, however, take a stand on one memorable occasion, as one of two presidential council members who opposed the 1991 putsch that attempted to overthrow the architect of *perestroika*.

In gratitude, Gorbachev called on Primakov to split the KGB, establishing an intelligence service outside the control of the security police. "He went into the KGB to clean it up," said a journalist covering Russian affairs.

This naturally did not endear him to colleagues at the KGB, with whom he was not popular. "He wasn't one of them," said a Sovietologist with friends in the intelligence service. "They usually said he wasn't a professional," said another.

While pushing to retain a single-party, Communist system in Russia, Primakov openly criticised the inflexibility of the party apparatus and called for more democratic decision-making.

But then the man who taunted Communists by extolling the virtues of the 'revolution' under way in his country shocked reformers by joining Yeltsin's team.

Now he sits in the foreign ministry, a Stalinesque tower still tattooed with the hammer and sickle. He is apparently receiving a warmer welcome in the foreign ministry than he did at the KGB. Foreign service officers, who felt abandoned by Kozyrev when they repeatedly saw him deferring to the West, see Primakov "as one of them, more likely to stand up for his department".

A diplomat said Primakov's policies would not differ greatly from those of Kozyrev, but that he would make sure he did not appear as a Westerniser. "He wants to make people know he's different."

The new foreign minister will not turn his back on the West, but is expected to focus more on other parts of the world, notably the Near and Middle East. "He's not antagonistic to good relations with the West. He's just opposed to concentrating on the West to the neglect of others," said one London-based analyst.

Orientalists were lost during the Eighties when Russia concentrated on the West. With Primakov, they will make a comeback," predicted a Russian analyst.

The foreign minister may also shed new light on Bosnia through his intimate knowledge of and empathy with Islam. Already, he has shown foresight and intuition regarding Chechnya — in November 1994 he opposed the approach taken by Russia's intelligence and security services, warning that the Chechens would put up a serious fight.

But it will be hard to tell whether Primakov is making Russia's foreign policy himself or simply following orders. Yeltsin has kept a close grip on decision-making power and, with his new foreign policy council, is likely to call the shots. Nor do Russians expect Primakov to stride out onto the world stage with new foreign initiatives.

As one put it: "It will be more important for him to stay inside the system."

Russia: Grachev 'Pleased' With Yugoslav Visit

LD0902215896 Moscow Russian Public Television First Channel Network in Russian 1800 GMT 9 Feb 96

[Correspondent Vladimir Solovyev report, captioned "Belgrade"; from the "Vremya" newscast]

[FBIS Translated Text] The meeting between Russian Defense Minister Pavel Grachev, the Yugoslavia chief of General Staff, and Yugoslav President Zoran Lilic dealt with a settlement to the Balkans crisis and opportunities for cooperation between our countries. During the afternoon, the ministers signed a plan for military and science-and-technology cooperation between Yugoslavia and Russia for 1996.

At a news conference by the two defense ministers, it emerged that both Pavel Grachev and Pavle Bulatovic were pleased with their talks, despite the fact that according to sources in the Yugoslav General Staff, the Russian delegation's visit to Belgrade came as a bit of a surprise to local military chiefs. Pavel Grachev outlined possible measures against NATO's eastwards push. This issue is also extremely relevant for Yugoslavia. He also spoke out about the seizure by Muslims of a group of Serb Republic officers.

[Begin Grachev recording] The detention by the Sarajevo authorities of General Djukic and a group of Serb officers on their way to talks is, we believe, unjust. We greatly regret this has happened. [end recording]

The Russian defense minister saw for himself that the Bosnian Serbs are complying with the Dayton agreements in full and on time, and he called for the immediate lifting of the blockade on the Serb Republic.

Russia: Envoy to U.S. Told To Sign World Bank Loan

LD1002231996 Moscow Mayak Radio Network in Russian 2230 GMT 10 Feb 96

[FBIS Translated Text] The government has given instructions to Yuliy Vorontsov, the Russian ambassador to the United States, to sign an agreement with the leaders of the World Bank on obtaining credit of $24 million.

Russia: Zhirinovsky Threatens Europe With 'New World War'

LD1002121296 Moscow ITAR-TASS in English 1150 GMT 10 Feb 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW February 10 (ITAR-TASS) — Russian ultra-nationalist Vladimir Zhirinovsky warned NATO against expansion to the East, threatening to launch the third world war in Europe in which French Negroes and Chechens from Russia would fight East Europeans and the alliance.

"If NATO continues to expand to the East, a new world war will flare up in the beginning of the next millennium on the territories of such countries as Romania, Czech Republic, Slovakia, Poland. But this time soldiers from Russia will be Chechens, while from France there will be Negroes," he told a joint press conference with French nationalist leader Jean-Marie Le Pen on Saturday.

Zhirinovsky said he would be the first to attack and would not wait for the aggressor to come to the Russian territory as Joseph Stalin did in 1941 when Nazi Germany invaded the former Soviet Union on June 22.

"I will not wait for June 22 as Stalin did, I shall begin on the 21st and shall rout NATO divisions on the territory of East European countries," he threatened and warned Poland that "if it wants to be free, it should not allow NATO on its territory".

"Jean Marie Le Pen and me will be sitting in Paris drinking vodka and wine and exchanging battle reports," flamboyant Zhirinovsky promised.

Zhirinovsky and Le Pen announced their plans to create a unified centre in Europe which will unite nationalists from Germany, Italy, Spain, Austria, Great Britain, Russia and France.

Le Pen said he shared the views of Zhirinovsky and said the slogan of Soviet Bolshevik leader Vladimir Lenin should be amended into the "Patriots of all countries — unite" instead of proletarians.

He complained that his nationalist party, which enjoyed 4.5 million votes in the latest presidential elections, is not represented in any power-wielding structures of the country.

Zhirinovsky's Liberal Democratic party is a "leading party" in Russia, according to Le Pen, who said the organisation is yet to become the main real force in the country.

Zhirinovsky and Le Pen invited journalists to a party promising them a "sea of vodka and champagne."

Russia: Weapons To Be Supplied to Hungarian Border Troops

LD1202102096 Moscow ITAR-TASS in English 0858 GMT 12 Feb 96

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, February 12 (ITAR-TASS) — Russia started preparing to dispatch armour and weapons for Hungarian border troops. ITAR-TASS learned at the Russian Defence Ministry on Monday [12 February] that, under understandings reached at an intergovernment level, Russia will supply Hungarian border guards with 68 armoured personnel carriers and considerable quantities of weapons. The total sum of deliveries tops 80 million U.S. dollars.

Hungarian border guards armed with Russian materiel ask additionally for 80 anti-tank Metis missiles, several hundreds of modified Niva jeeps and 9,000 flak jackets.

Military experts of the two countries are now negotiating a schedule of deliveries of Russian materiel and weapons. The first batches will be shipped to Hungary even this month.

Russia: Russian Missile Force Denies Minsk Army Base Theft

LD1002161296 Moscow INTERFAX in English 1349 GMT 10 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 10 (INTERFAX) — Russia's Strategic Missile Force has nothing to do with the theft of precious metals and parts of army hardware at an army base near Minsk, the Force's press center told INTERFAX.

The press center rejects media reports which present ammunition depot 25 as property of the Russian Strategic Missile Force.

Ammunition depot 25 was handed over to the Belarusian Defense Ministry in October, 1992, the press center said.

It is the Belarusian Defense Ministry that has been controling all moves at ammunition depot 25 since October, 1992, it stressed.

Russia: National Security Aide Views Events in Tajikistan

LD1002064296 Moscow INTERFAX in English 0206 GMT 10 Jan 96

[FBIS Transcribed Text] MOSCOW, Feb 9 (INTERFAX) — Russian President Boris Yeltsin is following the situation in Tajikistan very attentively, Russian presidential advisor on national security Yuriy Baturin told INTERFAX Friday.

Moscow intends to continue contributing to stabilization of the situation in this country, Baturin said.

"Russia's role in that region has been determined and it has no intention of ceding that role," he said.

Baturin returned to Moscow from the Tajik capital Dushanbe Thursday. In Tajikistan Baturin met with Tajik President Emomali Rakhmanov and other members of the Tajik leadership and visited units of the CIS joint peacekeeping forces and Russian border guards near the Tajik-Afghan border.

The delegation led by Baturin took direct part in talks with mutineers in the Kurgan-Tyube and Tursunzade towns and contributed to the successful settlement of the crisis.

Baturin briefed Yeltsin on the results of his trip on Friday morning.

The internal conflict in Tajikistan was settled "without bloodshed or use of military force on our part," Baturin said. "When the sharp situation regarding the mutiny emerged, the Russian president gave the strict instruction that 'our servicemen must not participate in possible combat actions.'"

Commander of the Joint Peacekeeping Forces in Tajikistan Viktor Zavarzin "played a key part" in talks with the mutineers in Kurgan-Tyube and Tursunzade and showed himself as "a gifted diplomat," Baturin said.

As regards Tajik President Rakhmanov, Baturin said Rakhmanov acted as "a firm strong-willed statesman capable of making responsible decisions" and was as "the president should be."

Russia will continue to provide economic assistance to Tajikistan, Baturin said. Problems concerning military assistance, including arms supply to the Tajik army, are regulated by intergovernmental agreements, he said.

With regard to the deployment of the CIS joint peacekeeping forces in Tajikistan based on Russia's 201st motorized division, Baturin said other CIS countries failed to fully meet their obligations. "Frankly speaking, their participation in the joint peacekeeping forces runs at a minimum," he said. Talks will be held with representatives of these countries to clarify the role of the joint peacekeeping forces, Baturin said.

Russia: Yeltsin Proposes Ratification of PRC Extradition Treaty

LD1002175696 Moscow ITAR-TASS World Service in Russian 1230 GMT 10 Feb 96

[FBIS Translated Text] Moscow, 10 Feb (ITAR-TASS) — Russian President Boris Yeltsin has submitted a proposal to the State Duma that it ratify the treaty between the Russian Federation and the People's Republic of China on the extradition of criminals, which was signed in Moscow on 26 June 1995. The proposal is contained in a message from the president to State Duma Speaker Gennadiy Seleznev.

ITAR-TASS was informed today by the head of state's press service that the message says the treaty accords with Russia's interests, corresponds to international legal standards in the field of the fight against crime and legal assistance in criminal matters, and reflects the mutually-shared policy of the Russian Federation and the People's Republic of China of strengthening cooperation in this area.

Boris Yeltsin has issued an order appointing Russian Justice Minister Valentin Kovalev as the president's official representative during the consideration by the Russian Federal Assembly's chambers of the issue of ratifying the treaty between Russian and China, the presidential press service stated.

Russia: Yeltsin Congratulates DPRK Leader on Birthday

LD1202065096 Moscow ITAR-TASS in English 0535 GMT 12 Feb 96

[By Ivan Zakharchenko]

[FBIS Transcribed Text] PYONGYANG February 12 (ITAR-TASS) — Russian President Boris Yeltsin has wished North Korean leader Kim Jong-il many happy returns of the day, congratulating him on his birthday, which is marked as a national holiday in the Democratic People's Republic of Korea (DPRK) on February 16. The text of Yeltsin's telegramme was published in Pyongyang's central press on Monday.

"I am confident that relations of good neighbourliness and cooperation between our two countries will undergo development for the good of our peoples and in the interests of peace and security on the Korean peninsula," Yeltsin emphasised.

Kim Jong-il, who wields full power in the country following the death of his father, President Kim Il-Sung, in 1994, officially performs the duties of the Chairman of the DPRK Defence Committee and the Supreme Commander-in-Chief of the Korean People's Army.

Russia: Inauguration of New Haitian President Welcomed

LD1002000296 Moscow ITAR-TASS World Service in Russian 1722 GMT 9 Feb 96

[By ITAR-TASS diplomatic correspondent Yuriy Kozlov]

[FBIS Translated Text] Moscow, 9 Feb (ITAR-TASS) — Russia expresses the hope that the positive changes that are under way in Haiti will become irreversible and help to strengthen political stability in the region, Mikhail Demurin, first deputy director of the press and information department at the Ministry of Foreign Affairs of the Russian Federation, told an ITAR-TASS correspondent today in connection with the inauguration of Rene Preval, the new Haitian president, a few days ago. Preval won the election in December last year.

The Russian Foreign Ministry spokesman said that the event marked the completion of an important stage in establishing democracy and strengthening constitutional order in Haiti, with the assistance of the world community's member-states involved, inter alia Russia.

"At present, there are good preconditions for Russia and Haiti developing good relations based on equality, non-interference in internal affairs, and mutually beneficial cooperation," said Demurin. "That would be in the interests of the Russian and Haitian peoples and of promoting peace and international security."

Political Issues

Russia: Yeltsin Opens Presidential Council; Views Election Ideas

LD0902210396 Moscow Russian Public Television First Channel Network in Russian 1800 GMT 9 Feb 96

[FBIS Translated Text] The Presidential Council met in session today for the first time this year. As required by protocol, the Russian president opened the session.

[Nikolay Ivanov, over video of meeting, Yeltsin] Boris Yeltsin regrets that four of our friends and confidants, as he put it, have left the Presidential Council. Opening the session today, the president said he has written to all four departing members to express his regret at their action. At the same time, Yeltsin acknowledged that numerous difficult issues in the country cannot be resolved overnight, in particular Chechnya. In this connection, the president gave his opinion of Boris Nemtsov's petition against the war.

[Begin Yeltsin recording] You won't decide the matter with petitions alone from Nemtsov about how we don't want the war. It's useless, it's simply, I would say, Nemtsov playing the populist. Who wants the war? Do I want it? No, I don't. The military doesn't want it. The entire public doesn't want it. The world doesn't want it either. You could gather a billion signatures worldwide. If Nemtsov could write down how to do it, then that would be a difficult matter. If he came up with practical and organizational measures, what to do and how, then I would be very grateful to him. [end recording]

[Ivanov] Before meeting the heads of regional and territorial administrations in Russia, Yeltsin told journalists that the Presidential Council has unanimously urged him to run for a second term and has provided reasons why he should do so. Some members of the Council urged him not to rely on state functionaries in his election campaign, or on his campaign headquarters led by Soskovets. Instead they suggested he work not with the political elite but with public organizations and rank-and-file voters. Judging from Council members who took part in the meeting, discussions not always to Boris Yeltsin's liking, such as with regional leaders, have become the first serious events to prepare public opinion for the increasingly likely decision to run for reelection.

[Begin Yeltsin recording] Things are moving in that direction. There have already been some interesting ideas about the elections, about how to handle opponents. Many of those who spoke said it wasn't worth attacking them or being particularly critical of them because that would achieve the reverse result. I'm well aware that the public goes for the underdog. [end recording]

[Ivanov] The Presidential Council also decided to set up a commission to investigate suggestions on how to control the situation in Chechnya. The commission will be headed by political analyst Emil Pain and consist of 12 Council members.

Russia: Yeltsin Sums Up Results of Presidential Council Meeting

LD0902141996 Moscow ITAR-TASS World Service in Russian 1259 GMT 9 Feb 96

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 9 Feb (ITAR-TASS) — Social, economic, and political results of 1995, motions for 1996, the Chechen issue, and preparation for presidential elections were on the agenda of a Presidential Council meeting which took place in the Kremlin today, President Boris Yeltsin told journalists prior to his meeting with the heads of regional and territorial authorities which resumed work in Yeltsin's country residence today.

Boris Yeltsin recalled that the four members of the Presidential Council resigned of their own accord. "I have written a letter to each of them saying that their decision grieves me," Yeltsin said. "They do not seem to have understood the president's recent moves," he added.

The president said that the Presidential Council presently consists of 24 people. "And today," he noted, "we assembled with a full complement." The overwhelming majority of members of the Council — 20 of them — spoke at the meeting. The president said that it was decided to set up a commission of the Presidential Council to draft proposals on settling the Chechen conflict. The commission will be made up of approximately 12 members of the Council and will be headed by the well-known political expert Emil Pain.

The president noted that "interesting proposals were made about the elections." The opinion was expressed that during the election campaign there should be no attacks on, or criticism of, opponents. Asked by the ITAR-TASS correspondent whether the members of the Presidential Council recommended Boris Yeltsin to put forward his candidacy for a second term, the head of state stated that this proposal was made by "each and every one". "They told me to put forward my candidacy and they gave very weighty arguments for doing so. Not simply on the basis of Yeltsin as an individual but on the basis of the political situation, the composition of the State Duma, and the economic situation in the country." The president again stated that he will announce his decision on whether he will run for election for a second term, on 15 February in Yekaterinburg.

The president said that there was a lengthy discussion of the question of paying wages, pensions, and benefits. "I said that I had found a solution. And this solution will be implemented by the end of February or the beginning of March," the head of state reported. "I am confident that I shall solve the problem of paying wages," Boris Yeltsin stressed.

Russia: Aides Sketch Plan To Address Nonpayment of Wages

MK1002130696 Moscow SEGODNYA in Russian 10 Feb 96 p 1

[Report by Dmitriy Volkov: "A Memo Is Being Prepared in the Kremlin on Abuses in the Payment of Wages. Streamlining Budget Expenditures Could Provoke Strong Resistance"]

[FBIS Translated Text] Yesterday the Russian president promised that by the end of February the problem of wage and pension arrears will be resolved by "concentrated efforts." Boris Yeltsin's economic adviser Aleksandr Livshits told your SEGODNYA correspondent that the country's leadership intends to act along three lines — searching for additional resources to normalize the payment of salaries to budget-maintained organizations, revising the budget financing system, and tough action with respect to those administrators and managers who run state-controlled enterprises and either connive at the nontargeted use of resources or themselves commit abuses.

According to INTERFAX, presidential Chief of Staff Nikolay Yegorov said yesterday that the mechanism for normalizing wage payments should be worked out by the next government session, scheduled for 15 February. He said it is necessary to take measures to ensure that all debts are retired within two months.

Meanwhile, implementation of the "triad" task is certain to be fraught with great difficulties. The search for additional resources in the federal budget — with the wage debt, according to Livshits, at 2.7 trillion rubles as of January — is complicated by a revenue shortfall in the first quarter. The state will apparently have to step up its activity on the securities market, operate with gold and hard currency, and incur debts. In the meantime economists predict an aggravation of the crisis of current budget expenditures, wherein any additional financial resources could dissolve without any visible effect.

The task of ensuring the execution of the budget expenditure plan could prove to be an even more daunting task. Indeed, the federal treasury is not operating with clockwork precision, but then it has no prerequisites for that in the first place. The institution of authorized banks, which handles budget payments, is essentially unregulated. Mr. Livshits noted that the problem could be resolved by adopting a normative act regulating this sphere. He observed that providing legal underpinnings for the execution of budget expenditure plans would mean a "major advance in reform." Meanwhile work on such a document, which, according to Mr. Livshits, is now under way, could cause a sharp struggle among banks vitally interested in state financial resources and which thus far have to deal not with laws and edicts, but with the personal preferences of government officials. Considering the substantial volume of resources processed by the authorized banks, it is more convenient and easy to convince civil servants than to act in conformity with a normative enactment.

Finally, it is not going to be easy to enforce the personal responsibility of officials handling budget expenditures or the directors of state-controlled enterprises, who often prefer to invest funds which should be paid in wages in speculative schemes. It is not difficult to fire bureaucrats from the Finance Ministry or the Economy Ministry: It is enough for the president to say the word. However, the resources at the disposal of these departments, according to Economy Minister Yevgeniy Yasin, are "extremely limited," and so the Finance Ministry and the Economy Ministry end up as "scapegoats." On the other hand, the "use of force" with respect to directors of domestic enterprises in an effort to compel them to retire their tax debts to the budget and wage debts to their employees often ends sadly for those making such attempts. Meanwhile, Aleksandr Livshits is preparing a memo which will apparently feature not only "scapegoats" from ministries, but also major enterprise directors who have acquired a reputation as "untouchables." This "black list" is expected to be submitted to the president early next week.

Thus, the president is confronted with the choice of either limiting himself to a public "punishment of the guilty," who will predominantly be government officials, or trying to institute a tough budget execution scheme, risking provoking a backlash from part of the director corps and a number of financial institutions. The first option, although more effective, would probably result in yet another crisis, but in a more acute form. True, the president would then have the tempting opportunity to resort to "punishments," always producing a visible effect, but not necessarily effective.

Russia: Government Cites Measures To Eliminate Delayed Payments

MM0902132896 Moscow ROSSIYSKAYA GAZETA Weekend Edition in Russian 9 Feb 96 p 2

[Russian Federation Government Directive 141 signed by Russian Federation Government Chairman V. Chernomyrdin on 5 February 1996: "Wages Right on Schedule"]

[FBIS Translated Text] In fulfillment of Russian Federation Presidential Edict 66 of 19 January 1996 "On Measures To Ensure the Timely Payment of Wages Out of Budgets at All Levels, Pensions, and Other Social Payments" and for the purpose of ensuring the timely payment of wages and eliminating wage arrears, organs of executive power of components of the Russian Federation, federal organs of executive power, and the Federal Labor Inspectorate under the Russian Federation Ministry of Labor are, prior to 20 February 1996, to investigate organizations funded out of budgets at all levels which have delayed the payment of wages, analyze their financial status, and ascertain the reasons which have given rise to these negative phenomena. Measures are to be taken during the investigation to ensure current payments of wages and the clearing of wage arrears.

If violations of wage payment deadlines are discovered, exhaustive measures are to be taken without delay to eliminate them, and sanctions in the form of fines laid down in legislation are to be applied to officials guilty of these violations, as well as more rigorous measures, even including dismissal. In cases where gross violations are brought to light, the appropriate materials are to be forwarded for criminal proceedings to be instituted against the guilty persons.

Information on the results of the work done is to be submitted weekly to the Russian Federation Government.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government

Russia: Aide: Country 'Has No Resources' To Change Course

LD1102102896 Moscow ITAR-TASS in English 1000 GMT 11 Feb 96

[By Andrey Surzhanskiy and Vasiliy Belousov]

[FBIS Transcribed Text] MOSCOW, February 11 (ITAR-TASS) — "The only candidate who can consolidate society, is developing in bold relief on the eve of the election campaign — Boris Yeltsin," head of the Russian President's office Nikolay Yegorov told ITAR-TASS here on Sunday.

He stressed that the country now "has no resources to change the course, for right or left turns or for returning back".

Asked by ITAR-TASS whether Yeltsin told him which decision he took concerning his participation in the future presidential race, Yegorov said: "I do not know which decision the president will take, but I know for sure that he is now thinking whether to run or not for the second term."

"I cannot say that this decision is an easy one for Boris Yeltsin," he added. It is not by chance that the president asked advice from Presidential Council members on the eve, Yegorov noted.

Russia: Primakov: Reforms To Continue With 'Corrections'

LD1002155896 Moscow INTERFAX in English 1349 GMT 10 Feb 96

[FBIS Transcribed Text] HELSINKI, Feb 10 (INTERFAX) — The democratic transformations and economic reforms in Russia "connected with the name of President Boris Yeltsin will certainly be continued," Foreign Minister Yevgeniy Primakov told a news conference in Helsinki on Saturday upon his meeting with the U.S. Secretary of State Warren Christopher.

Nevertheless Primakov conceded that some corrections will be made in Russia's policy with a view to preventing reforms from hurting the socially-insecure population sections. "There is a need to lower the social cost of reforms," Primakov pointed out.

Russia: Presidential Staff Chief Views Elections, Chechnya

LD1102230496 Moscow Russian Public Television First Channel Network in Russian 2050 GMT 11 Feb 96

[FBIS Translated Text] Nikolay Yegorov, the head of the presidential administration, recalled on 11 February Boris Yeltsin's words about seven variants of settling the Chechen crisis. Speaking to journalists in Murmansk, he said that every possible way of resolving this problem had been offered to the president to consider, ranging from from the encirclement of the republic to the elimination of all its militants in one go. As for Yegorov, he thinks that the most favorable option is an operation to eliminate bandit units, on the one hand, and the preparations for parliamentary and local elections in the republic, on the other hand.

I would like to point out that on 11 February Yegorov made several important and significant statements. Apart from Chechnya, I would like to draw your attention to what the head of the presidential administration had to say on the presidential elections. He said that in the run-up to the election campaign one can see only one candidate capable of consolidating society. This candidate is Boris Yeltsin. Yegorov said that the country has no resources for changing its policy, for turning either right or left or, moreover, for going back. It seems that the second problem on the president's agenda after Chechnya is the problem of the social policy.

[Begin Correspondent Dmitriy Motrich recording] Nikolay Yegorov, the head of the presidential administration, said today that in the next few days the Russian president intends to sign edicts on the compensation of investors affected by bankruptcies. A document on mutual transactions between the industries and the federal center is also expected to be signed. Its aim is to eliminate the problem of non-payments and improve the situation in the localities. One of the causes for the delay of wages to staff of enterprises financed from the budget was the fact that the federal budget received from privatization 6 trillion rubles less than expected. And in the next few days the president intends to resolve this problem, too. Heads will roll at the Finance Ministry and at the Economics Ministry. An equally unpleasant surprise is in store for joint-stock companies with a significant share of state capital which they use to buy Mercedes cars and build houses for themselves. Yegorov said that measures will be taken against them, too. The head of the administration also spoke of positive tendencies in the economic development. This year the country has a currency reserve amounting to 13 billion rubles [as heard], which will make it possible to resolve the problem of non-payments. Serious structural changes are beginning. It seems that many things in the country will change in the run-up to the elections. [end recording]

Russia: Medical Expert Views Yeltsin's Health Problems

AU0802161796 Moscow NOVOYE VREMYA in Russian No. 5 Feb 96 pp 14-15

[Interview with Mikhail Mikhaylovich Alshibay, candidate of medical sciences and leading research associate at the Moscow A.N. Bakulev Cardiovascular Surgery Institute, by NOVOYE VREMYA correspondent Ilya Milshteyn; place and date not given: "A Highly Placed Disease"]

[FBIS Translated Text] Medical secrets are among most delicate ones. It is immoral to make them public. They are not a matter for public discussions, not to mention journalistic investigations.

With a single exception: A politician's health cannot constitute a secret. This is an internationally accepted rule.

In those countries that are normally referred to as civilized the voter knows everything about the health of national leaders. The results of their medical tests are made public nationwide. Even their minor indispositions are subject to heated discussions among specialists. Presidential fainting fits are broadcast live (such as President Bush in Japan)....

Not so in our country. The tradition of finding out about the health of our leaders from obituaries stemmed from the ideology: The bearers of the immortal doctrine were not supposed to suffer from any ailments. The failure of [the coup by] the State Committee for the State of Emergency had been predetermined: Nobody simply believed the claims that Gorbachev was "seriously ill."

It is natural that information about Boris Yeltsin's health also gives rise to mistrust. However, in an opposite sense: Rumors about the president's health problems have a gloomy touch to them. The main reason here is excessive hospital vigor against the background of the shortage of concrete reports in official press releases.

Following the December elections, the issue of the president's health has become, perhaps, the main political question in the country.

[Milshteyn] Shall we start with rumors, Mikhail Mikhaylovich? For example, there is very persistent talk that the attacks of ischemia suffered by the president ended, in fact, in infarctions....

[Alshibay] To begin with, I must be extremely cautious in my assessments. Any judgment should be based upon facts. We have almost none.

[Milshteyn] There are two indubitable facts: On 11 July and 26 October, Boris Nikolayevich was hospitalized "for an aggravation of ischemic heart disease." I still remember the explanation offered by the press secretary after the first attack: The president has unstable blood circulation in the cardiac muscle, but the pump, or the heart proper, is functioning normally.

[Alshibay] These were correct explanations. In medical terms, such a condition is also referred to as unstable stenocardia. This is a destabilization of the coronary blood circulation, which may lead to the development of myocardial infarction. In other words, it is a condition conducive to infarction — these are almost synonyms....

Remedy Against Stress

[Milshteyn] How does a person feel when he suffers an ischemic attack?

[Alshibay] Well, first of all, he experiences pain. It is usually retrosternal pain, although it may also be localized behind the left breastbone and may also spread to the back or arm. It is a strong attack of pain and it is, as a rule, no longer possible to relieve it with the help of one or two nitroglycerin tablets. More effective remedies are needed.

[Milshteyn] There was talk about "active therapy" that could be quite successful.

[Alshibay] Yes, precisely active and not intensive. "Intensive therapy is the same as resuscitation," as Mr. Medvedev [Yeltsin's press secretary] aptly remarked....

[Milshteyn] Tell me, is "Yeltsin's case" something unique in the world practice or a perfectly typical case?

[Alshibay] Absolutely typical! A male over 40 — this is the most usual sex and age for heart disease. Generally speaking, ischemic heart disease is one of the most common diseases in the world, which claims huge numbers of lives every year. Especially in countries with low levels of economic and medical development. Like ours....

[Milshteyn] More about rumors. Some of them were absolutely insulting for the president: That he, allegedly "had had a bit too much" and had drunk himself into a heart attack. Could this be the case?

[Alshibay] You know, if one has to trust rumors, then our whole conversation becomes meaningless. I can only say that, for example, infarction is caused by atherosclerosis of the coronary arteries. These atherosclerotic narrowings block sufficient amounts of blood from reaching the cardiac muscle. A imbalance occurs between the oxygen consumed by the myocard and that supplied through constricted blood vessels.

[Milshteyn] And what is the major cause? Does alcohol promote the development of atherosclerosis?

[Alshibay] Alcohol itself does not seem to me to be a serious risk factor. Physical strain is a classic provoking factor in the onset of atherosclerosis. It is a different matter if a person drinks to excess; this is, of course, also a kind of physical strain.... Such activities may lead to tachycardia, which means more work for the heart. Then everything proceeds in accordance with a formula: The heart requires more oxygen, but the arteries are constricted, the heart does not get enough oxygen, whose supply is known to be obstructed. This can end badly.

[Milshteyn] How about psychological stress? Is it more dangerous for one's heart than physical strain?

[Alshibay] It is also quite a serious factor....

[Milshteyn] Here is what I have in mind. Of course, the president does much physical work.... But the psychological strain on him seems to be even stronger: In recent years, Boris Nikolayevich has experienced much political and personal stress. Such as the events in August and in October and the deadlocked war in Chechnya that he referred to as his "main disappointment" over the entire period of his presidency. Generally speaking, to be in power in Russia, especially during the time of discords, is the worst possible everyday stress.

[Alshibay] You may be right. The point is that the stress situation sometimes directly provokes both the development of coronary incompetence and attacks of angina. Permanent stress is considered to be a risk factor in the development of the ischemic cardiac disease. To speak in concrete terms, such stress may lead to the formation of an atherosclerotic plaque and a persistent constriction of coronary vessels.

[Milshteyn] It is common knowledge that the craving for alcohol is not infrequently associated with the desire to relieve unbearable psychological stress.

[Alshibay] I must tell you that not only leaders of nations drink for that reason. How cardiologists drink! Presidents would not even dream of such amounts....

[Milshteyn] You, like any voter, quite often watch the president on television. Tell me, could you reach any conclusions about a person's disease based on his external appearance?

[Alshibay] Some symptoms rather point to atherosclerotic impairment of vessels that supply blood to the brain.

[Milshteyn] What are these symptoms?

[Alshibay] Well, sluggishness in movements and speech and such, how to put it..., not always appropriate reactions to stimuli and not quite accurate replies to questions. However, you understand, this may also be acting or greater politics that precisely involve reluctance to answer questions directly.

Coronary Arteriography for the President

[Milshteyn] Yet, in July and October, Boris Nikolayevich was hardly inclined to play games. If I understand what you are saying, the diagnosis is not really encouraging?

[Alshibay] This is not quite so. Yes, ischemic heart disease is a disease with an unpredictable and very serious outcome. Here, we approach the major question that bothers me personally the most. Namely, neither in July nor in October did I read in any of the official statements that the president had undergone a coronary arteriography.

[Milshteyn] What is that?

[Alshibay] Today, coronary arteriography is the only method making it possible to get a true idea of the condition of the sufferer of myocardial ischemia. Both from the point of view of prognosis and choice of the treatment. Here is what the method lies in: A special catheter is driven, through a perforation in a large vessel, directly to the heart, to the opening of a coronary artery, and a contrast medium is injected into that artery. Then, an X-ray is performed. Proceeding from its results, a medical specialist may pinpoint with absolute precision the narrowings in the coronary arteries, the extent of the constrictions, and their danger to the patient's life. In the West, coronary arteriography is a routine procedure. Unfortunately, in our country, this method is not widely used. Without it, all assumptions about "active therapy" are speculative in character. You see, a patient who survives on tablets... this patient is at a very high risk. At any moment, he may develop an acute condition, even an infarction. Incidentally, I do not rule out that that was the case during the second heart attack.

[Milshteyn] You are assuming that Boris Nikolayevich suffered an infarction in October?

[Alshibay] I will be extremely cautions: I do not rule out such a possibility. The thing is that we know even less about the second attack than about the first. One can surmise that it was more serious than the first one. That is why it required longer hospitalization and rehabilitation. It is on this basis that I am inclined to assume that the president had suffered myocardial infarction.

[Milshteyn] Infarction... or microinfarction?

[Alshibay] I would not focus on this, because both types of infarction — macrofocal and microfocal alike — are very dangerous. I would even say that the macrofocal, or complete, infarction is, in a way, less dangerous. In that vessel, where it occurred, nothing else seems to happen in the future. At the same time, microinfarction is an incomplete infarction....

[Milshteyn] But it can become complete.

[Alshibay] Right. It involves a potential threat of becoming complete. Here, yet another major question arises that is worth addressing: The only way to prevent a macrofocal infarction is surgery on the coronary vessels. Once again, this has long been known in civilized countries. Over recent 25 years, the whole world has been vigorously busy developing and implementing surgical methods for treating ischemia and these methods do not just make it possible to prolong the patient's life, but also make this life full.

[Milshteyn] Do you presume that the Kremlin's medical experts do not recognize these methods? Or recognize them, but do not want to take chances?

[Alshibay] The Fourth Administration has always sought advice of top-level specialists. I do not know who examined Boris Nikolayevich in this situation. I think that those were people who adhere to the same principles as the rest of the world. I cannot rule out that it was the president himself who took the final decision. He might well say: "I will not subject myself to coronary arteriography and will not agree to be operated upon!" Well, one may understand him as a person....

[Milshteyn] Why would he say that?

[Alshibay] For the same reason that the majority of our patients decline both coronary arteriography and surgery. To put it mildly, by force of tradition. For our citizens, heart surgery is a moral catastrophe. The last chance in a hopeless situation. Patients usually turn to us surgeons after all therapeutical methods have been tried. When their condition is almost hopeless....

Surgical Operation as a State Secret

[Milshteyn] In that case, I understand Boris Nikolayevich. If he wants to try and extend his presidency, he needs to reckon with our traditions. Because voters will not cast their votes for a person who has just "undergone a serious heart operation...."

[Alshibay] Yes, the president is compelled to take this into consideration. Even though surgery alone offers him a real chance of recovery. By the way, you have suggested to me the following idea: He may have undergone coronary arteriography a long ago and simply nothing was reported on this so as not to agitate fellow citizens?

[Milshteyn] In that case, perhaps a surgical operation may also be kept secret?...

[Alshibay] Boris Nikolayevich recently said an odd phrase: "The recovery will be complete!" In the case of ischemic heart disease, this may only be asserted after a very successful operation.

[Milshteyn] But these are, after all, words said by a politician.

[Alshibay] Certainly. Incidentally, quite a number of other specific problems may be involved if a Russian politician opts for a heart operation. For example, where to undergo such an operation. I recommend my patients from the ranks of "new Russians" to go to the West to be operated on.

[Milshteyn] Why? Does an American surgeon work better than you, Mikhail Mikhaylovich?

[Alshibay] Not better. He has better equipment and post-operative care.

[Milshteyn] This is probably not a problem for the president. Tell me, are there any contraindications against this type of surgery: for example, age?

[Alshibay] Practically none. They are performed on 90-year-old people and people with serious accompanying diseases. There is sometimes a great risk, but I can say with absolute confidence: The risk is much greater if the operation is not performed.

[Milshteyn] However, you yourself have said that Boris Nikolayevich may have atherosclerotic impairment of the brain vessels. Is it possible to operate on the heart of a patient who is threatened with insult? Maybe that is why the Kremlin physicians are so cautious with both the coronary arteriography and surgery — because they are forbidden?

[Alshibay] In that case, it would be the worst variant of the disease. Nevertheless, contemporary surgery has at its disposal methods that make it possible to correct blood circulation in both brain and coronary vessels. For example, such operations are quite often successfully performed at our institute. If the president's health is threatened with both infarction and insult, the question must be resolved radically and as soon as possible. However, I reiterate: These are just our guesses.

[Milshteyn] Have I understood you correctly: You personally would vote much more readily for Yeltsin if he agreed to an operation?

[Alshibay] Yes. But I will not assert that, without an operation, he is doomed to death quite soon. However, I fear new attacks. If I knew that Boris Nikolayevich had undergone an operation, I would, as a physician, have hopes for his political longevity. The main thing is that I would vote for a civilized person. A modern politician possessing all information not only about the world, but also about himself and about his own heart.

Russia: Yeltsin in 'Combative Mood' for Yekaterinburg Visit

LD1102190696 Moscow ITAR-TASS in English 1842 GMT 11 Feb 96

[By Nadezhda Potapova]

[FBIS Transcribed Text] YEKATERINBURG, February 11 (ITAR-TASS) — President Boris Yeltsin is to visit Yekaterinburg on February 14-15, presidential press service head Igor Ignatyev said on his arrival here on Sunday night.

He said Yeltsin is making careful arrangements for the trips and is in a "good combative mood".

As it was reported earlier, Yeltsin is expected to announce in Yekaterinburg whether he would run for the presidential election in June of 1996.

According to Ignatyev, Yeltsin's visit to the city "will open a series of his trips round the country within the nearest three months, whatever the president's decision be".

Over 200 Moscow's and foreign reporters will be covering the Yekaterinburg visit.

The presidential spokesman said notable art figures, such as Elina Bystritskaya, Rolan Bykov and Gleb Panfilov, as well as Russian scientists and cosmonauts, wish to follow Yeltsin in his trip.

Russia: Shumeyko To Submit Election Program to Yeltsin

LD0702223396 Moscow NTV in Russian 1635 GMT 7 Feb 96

[Studio interview with Vladimir Shumeyko, former Federation Council speaker, by Pavel Lobkov; from the "Hero of the Day" program — live]

[FBIS Summary] In a 25-minute interview Vladimir Shumeyko said he will meet President Boris Yeltsin on 8 February to submit to him the program of his Reform-New Policy movement, which he hopes will form the basis of Yeltsin's election platform.

Shumeyko says his movement has "made the decision to try to propose a new program to the president, a new policy, in the form of his presidential message. Under the Constitution, the president is obliged to deliver an annual address to the two chambers of parliament. We have assumed the role of a collective author, so to speak, we have completed this work, the message will be endorsed at the presidium of the movement's council today, and tomorrow I shall officially submit it to the president."

Shumeyko says the document is the work of the Reform-New Policy movement and all its regional branches, and of representatives of all its supporters from all parties, and has been widely discussed. It aims to point out what the movement regards as the main elements in changing the reform policy. "In our opinion, in this transitional period when there are particular difficulties with the economy, the state cannot continue to leave this process to flow of its own accord. In our view, the state, as such, must confidently regulate some processes and take it upon itself to regulate them. There are very many sore points which are charted out. I could name a few of them. To take financial stabilization: we are not in agreement with the very idea of how it is being conducted. To boil it down to essentials, the government is tackling financial stabilization in a very short-term way: squeezing the money supply, bringing down inflation. Those two moves: squeeze the money supply, and inflation has stopped. We propose a longer-term formula: accumulation of capital, expansion of demand, putting life back into production, and reduction of inflation. I am quite precisely and unambiguously sure that nobody needs financial stabilization on the graveyard of Russian industry."

Shumeyko continues: "We are not talking about a change of policy, we are wholly in favour of democracy and building a market economy as a means for this democracy to exist. What we are talking about is something quite different: this policy is a clearly chosen direction." Using the analogy of a ship's captain steering a course, Shumeyko emphasizes the need to make use of any winds to ensure steady movement ahead. "We propose moving ahead, yes, but given all these difficulties, we propose altering specific actions and the specific program in such a way as to ensure it has no negative impact on people."

People must be won over to the reforms, Shumeyko says."If the president makes his address now — he has promised to announce whether he will run in the presidential elections on 15 February — this address will also be his election platform, his program for the next four years. As we write in our version, we would like this message to chart out the guidelines." People have lost their bearings and need to know what the future holds, Shumeyko says, and the president must point it out.

Asked whether Shumeyko would continue to back the president if Yeltsin failed to heed Shumeyko's advice, Shumeyko replies that he hopes he would; he emphasizes that, in his movement's view, Yeltsin has to run for president. "Yeltsin must go on, but he must change," Shumeyko states. "We must look very pragmatically and calmly at the mistakes that have been made; admit the mistakes in policy and take such a turn as to correct these mistakes."

Asked about the 7 February Security Council meeting, at which there were no representatives of the Federal Assembly, the country's legislative authority, Shumeyko says this should probably not be seen as any change of policy on the president's part; under the 1991 law, the president has the right to appoint the members of the Security Council. He says a new bill on the Security Council is currently going through the Duma, which doubtless clarifies how the legislative authority will be represented in the Security Council.

Asked whether Yeltsin's decision not to appoint the parliamentary speakers to the Security Council was because "the president did not want to let the communists into the most elite political club in the country," Shumeyko denies that the Security Council is any sort of elite club, saying it imposed a heavy workload and onerous responsibility. "I would not agree with you that the president does or does not want to let anybody into some sort of club," he said; rather the president wants the public view of the Security Council to accord with the council's role in a democratic society, and therefore it has to be formed under the law and not by presidential decree.

After a survey of the history of the Security Council, Lobkov asks Shumeyko to comment on the council's decision to send Russian troops in to Chechnya. Shumeyko emphasizes that the troops were sent in not to wage war but to enable negotiations to be held from a position of strength, and refuses to comment on decisions that have already been taken. The important thing now is to bring about peace, Shumeyko says, adding that troops should be withdrawn only when there is a guarantee of peace.

Shumeyko defends the decisions on the Chechnya issue made while he was chairman of the Federation Council, saying they were all strictly in accordance with the chamber's powers. Lobkov then introduces a video report on the history of the Federation Council's dispute with the Security Council and the president over the beginning of the Chechnya problem.

Russia: Premier's Endorsement of Yeltsin Deflates Democrats

MK0902141396 Moscow KOMMERSANT-DAILY in Russian 9 Feb 96 pp 1, 3

[Report by Natalya Arkhangelskaya: "An Attempted Coup Aboard the Nomenklatura Ship Has Failed"]

[FBIS Translated Text] Yesterday's expanded session of the "Russia Is Our Home" [NDR] movement's political council, chaired by Viktor Chernomyrdin, predictably approved the new composition of its executive committee. The premier attributed the need for a personnel reshuffle to the new tasks confronting the movement, which after the parliamentary election campaign is to take an active part in the presidential race. Boris Yeltsin was named as the candidate to whom the bloc intends to give "full and unconditional support." The premier categorically ruled out the possibility of his running for the presidency.

Vladimir Babichev, the incumbent government chief of staff, was elected executive committee chairman "on a voluntary basis;" Gennadiy Shipilov, former deputy chief of the bloc's election headquarters and former senior government staffer, was elected his deputy. Sergey Belyayev, leader of the NDR Duma faction, and Vladimir Kinelev, newly appointed government deputy chairman, were excluded from the executive committee.

Yesterday's session in the White House, if it did not bury the designs of those political forces which intended to gamble on Viktor Chernomyrdin in the presidential election campaign, at least dealt them a severe blow. The premier's refusal to pursue an independent political role fully disappointed both the democrats, who have finally abandoned their support for Yeltsin, and the premier's associates within the NDR.

It is known that the movement's leadership, covertly but very intensively, tried to promote its leader as a presidential candidate. Any public moves on this score were strictly forbidden, and therefore the movement decisively dissociated itself from the initiative of the St. Petersburg division of "Russia's Democratic Choice," which nominated the premier as a presidential candidate. But the intensity of behind-the-scenes activity was very high: Attempts were made to test this possibility even in the holiest of places — the Presidential Security Service.

Confusion and vacillations were also observed among NDR regional leaders. Many of them intended to confront Chernomyrdin on the issue of his nomination. According to some reports, hotheads were even ready to present Chernomyrdin with an ultimatum: either he agrees to run or a new movement leader is elected. The uncertainty was aggravated by the fact that the council session was repeatedly postponed.

Nonetheless, the coup did not materialize: At the conference the group of "dissidents," led by the head of the Vladimir Oblast chapter, who had gathered around himself more than 20 like-thinkers from other regions, was cleverly isolated by the moderator and gained no access to the microphone.

Yet Lyudmila Narusova, Duma deputy from the NDR and the wife of the St. Petersburg mayor, who was ceded the floor by one delegate who had "asked to speak in time," managed to convey the "dissident" opinion. While giving credit to the high moral integrity of the premier, who "rejected a place which he deserves by right — an unprecedented action in our modern history," Narusova stressed that his position puts the bloc in a difficult situation, with quite a different person than the one who received popular support in the Duma elections being proffered as its leader. She was supported by Vladimir Bashmachnikov, leader of the Union of Landowners, who said that in this context it is difficult to expect the same level of activism from the NDR in the presidential elections as in the course of the parliamentary campaign. "The organization has effectively changed its face," he summed up.

Yet these voices did not disturb the harmonious chorus of the movement's council. The nomenklatura principle of its organization justified itself: Yeltsin's candidacy for the presidency was adopted almost unanimously. The decision is only left to be approved by the movement's congress, which is set for early March.

In the lobbies, the "dissidents" promised to go their own way — pull out of the movement and affiliate with the St. Petersburg initiative group for Chernomyrdin's nomination, helping it to raise the requisite signatures. After the session Aleksandr Shokhin, the Duma first deputy speaker from the NDR, also expressed his opinion on the issue. He believes that the democrats would be well advised to field not one but several candidates at once, rallying around one figure obviously in the lead nearer the election date. He stressed that political forces on the left flank also stick to such tactics. While believing that the participation of Viktor Chernomyrdin in the presidential elections, as a figure with great political weight, would be very useful, Shokhin noted that owing to his political coloring, as a conductor of the presidential course, Chernomyrdin will hardly expand the president's electoral field if votes are pooled.

Be that as it may, theoretically Chernomyrdin still has room for maneuver. Signatures in his support will continue to be raised and he has time to think until mid-April, when the Central Election Commission completes the registration of aspirants for the top position in the state. Even so, there are effectively no chances that Chernomyrdin will change his mind: Subordination and his boss's opinion proved decisive for the disciplined premier, and he will bear his cross for as long as the president sees fit.

As concerns the prospects of the movement led by the premier, they are even more obscure. Narusova was right in stressing that at yesterday's session Chernomyrdin decided not only his own fate but also the fate of the whole bloc. According to the St. Petersburg mayor's wife, the movement might not withstand a shift from one leader to another or a change in its election program. Meanwhile, judging by yesterday's session, it is not going to be easy to inspire the NDR members with the lofty goal of "making their weighty contribution toward the 1 million signatures for the president" (Chernomyrdin's words). It is clear that in the presidential election campaign the NDR can only act "under the umbrella" of some other structure: Under the law, only parties and movements which were registered by the Ministry of Justice at least six months before election day was announced may nominate candidates for the presidency. The NDR was only eight days late — possibly not by accident.

On the whole the feeling is that the NDR, the launching of which last spring was accompanied by a noisy propaganda campaign, has in reality turned out to be something makeshift which is past its prime and ready to fall to pieces.

Russia: Nationalists Hold Congress in St. Petersburg

LD1102142396 Moscow NTV in Russian
1900 GMT 10 Feb 96

[From the "Segodnya" newscast; passages in quotation marks recorded]

[FBIS Translated Text] Russian nationalists did not sit around idly today. They held a congress where they proposed their presidential candidate. Svetlana Yakovleva reports from St. Petersburg.

[Yakovleva] Envoys from about 15 nationalist parties and movements were present as guests and observers at the congress of the Russian National Republican Party, which opened in St. Petersburg today. Representatives of the Congress of Russian Communities, the Liberal Democratic Party, the Derzhava movement, and the Communist Party of the Russian Federation also attended.

The congress began with banners being brought in to the strains of the song: "Let Us Drink to the Motherland, Let Us Drink to Stalin." After that, the party leaders went onto the platform, led by party chairman Yuriy Belyayev, who the day before had been sentenced by the St. Petersburg municipal court to one year's deprivation of freedom, deferred for a year, for inciting ethnic dissension.

Vladimir Lapin, Belyayev's deputy, delivered a 90-minute report. He announced that in the run-up to the presidential elections all nationalist forces should unite and put forward a single candidate who, when head of state, could implement the ideas of national- patriotism.

[Lapin, at rostrum] [broadcast in progress] "... to drive out of the political leadership and from the management of the news media and the arts all those — I stress this — who are not of the indigenous population of Russia." [applause]

[Yakovleva] Lapin declared that the National Republic Party has already made its choice, and appealed to those assembled to support this choice.

[Lapin] "I call on you to support [Gennadiy] Zyuganov in the presidential elections."

[Yakovleva] Vladimir Lapin described Zyuganov as a politician who had been able to unite the ideology of Russian nationalism with socialism. There were differing reactions to the proposal. During the interval, writer Eduard Limonov, representing the National Bolsheviks at the congress, declared that his party will never support Zyuganov.

[Limonov, interviewed in corridor] "Zyuganov is simply a man who is making use of the communist label. He speaks under the communist banner, but he is not only not a communist, he has repudiated the fundamental communist dogmas of the dictatorship of the proletariat, and of revolution as the way to achieving the dictatorship of the proletariat. In Davos just recently he promised Western investors that he will create even more magnificent conditions for our country to be plundered. How is it possible to back Zyuganov? Zyuganov is not even a social democrat at the moment. He is behaving like the most genuine liberal."

[Yakovleva] This evening, the nationalist leaders plan to hold talks to agree on the nomination of the future president. Representatives of Russian communities from Belarus and Ukraine who do not recognize the Belaya Vezha accords will attend. A single candidate for the post of Russian president from all the nationalist forces is to be nominated tomorrow. In addition to Gennadiy Zyuganov, the names mentioned are retired General [Aleksandr] Lebed, former heavyweight Yuriy Vlasov, and also President Alyaksandr Lukashenka of Belarus.

Svetlana Yakovleva and Sergey Korolev for NTV Television, St. Petersburg.

Russia: Nationalists Make 'Difficult' Decision To Back Yeltsin

LD1102175396 Moscow NTV in Russian
1600 GMT 11 Feb 96

[FBIS Translated Text] The nomination of Gennadiy Zyuganov as presidential candidate at the Russian National Republican Party congress yesterday did not find support among the representatives of other nationalist movements which had come to St. Petersburg in order, as they put it, to coordinate their actions in the run-up to the presidential elections. The nationalists' leaders began talks aimed at nominating a single candidate for the post of president from all nationalist forces. About 10 possible nominees were discussed, amongst them Aleksandr Lebed, Vladimir Zhirinovskiy, Aleksandr Rutskoy, and Yuriy Vlasov.

Today, after the negotiations ended, our film crew was the first to find out about the decision adopted by the leaders of the nationalists, a decision one could describe as sensational.

[Begin Eduard Limonov, National Bolshevist Party leader, recording] Unfortunately, we had to take a difficult, a difficult decision which was very hard to take. We discussed this at great length, and by joint decision we have nevertheless come to the conclusion that it is expedient to nominate Boris Nikolayevich Yeltsin as the nationalists' candidate. I am sure this decision will shock many people. But for us, it is motivated by a number of Boris Yeltsin's actions — the invasion — putting troops in Chechnya, the fight against crime and so on and so forth. [end recording]

Limonov also announced that a unified coordinating council of Russia's nationalist forces and movements was to be set up.

Russia: Democratic Choice Nominates Gaydar for President

LD1102184896 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1545 GMT 11 Feb 96

[FBIS Translated Text] Yegor Gaydar, Russia's Democratic Choice Party leader, has been nominated as a candidate for the post of Russian Federation president, party member Sergey Yushenkov told Ekho Moskvy Radio.

He said "the decision to nominate Yegor Gaydar as candidate for the post of president of the Russian Federation, or, more precisely, to support the initiative group that has already been formed in Altay territory, was adopted almost unanimously at the party conference of the Moscow Russia's Democratic Choice organization.

"In the final analysis, this decision in effect echoes the decision of the party's political council, which was held yesterday," Yushenkov said.

"Russia's Democratic Choice, thus, is going to the elections not simply with a declaration of what sort of a president it would like to see, but with a clearly and precisely expressed program for nominating a single candidate," Yushenkov stated.

Russia: Gaydar Urges Support for Nemtsov as President

LD1102160796 Moscow INTERFAX in English 1402 GMT 11 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 11 (INTERFAX) — Leader of the Russia's Democratic Choice party Yegor Gaydar has called for collecting signatures to nominate Nizhniy Novgorod Region Governor Boris Nemtsov for the president.

Democratic parties and movements could "concentrate around Nemtsov," Gaydar said at a conference of the Russia's Democratic Choice party's Moscow branch Sunday.

Gaydar proposed that Yabloko party leader Grigoriy Yavlinskiy be nominated "together" with Nemtsov as a candidate for the prime minister.

Nemtsov "has no guilt before Russian voters," Gaydar said. Furthermore, Nemtsov, who won the gubernatorial elections in the Nizhniy Novgorod region in December 1995, "has technology for successful pre-election struggle with the Communists," Gaydar said.

Gaydar said he believed that Nemtsov had "an absolutely serious chance" of winning the second round of presidential elections if he were nominated for the Russian presidency.

Russia: Nemtsov 'Had Not Given' Consent to Nomination

LD1102194996 Moscow Radio Rossii Network in Russian 1700 GMT 11 Feb 96

[FBIS Translated Text] Yegor Gaydar, leader of the Russia's Democratic Choice Party, has called for a collection of signatures to be started in support of putting forward Boris Nemtsov, governor of Nizhniy Novgorod region, as a candidate for the Russian presidency. Speaking at a conference of the Moscow organization of the party, he said that movements of the democratic spectrum could concentrate around Nemtsov's candidacy. At the same time, in an interview to our correspondent, Boris Nemtsov said consultations about putting him forward as candidate were being held without his knowledge. He pointed out that he had not given any of the associations his consent to take part in the presidential elections.

Russia: Zyuganov Outlines Priorities as Future Leader

MK1002141296 Moscow NEZAVISIMAYA GAZETA in Russian 9 Feb 96 p 2

[Report by Igor Korotchenko: "Zyuganov Is Forming a Shadow Cabinet. The Post of Prime Minister Will Be Offered to Aman Tuleyev"]

[FBIS Translated Text] The initiative group to nominate Gennadiy Zyuganov for the Russian presidency has raised 1,393,000 signatures. This will be the main argument in favor of the CPRF [Communist Party of the Russian Federation] Central Committee chairman at the upcoming all-Russia conference in the course of which the Communists are to finally decide which one of their leaders will aspire to the position of the head of state. Last Wednesday, at the Central Journalists Club, Zyuganov met with members of the initiative group representing for the most part high-level functionaries and activists of the Spiritual Legacy [Dukhovnoye naslediye] movement.

The Communist Party leader was confident, respectable, and in his element, sensitive to the situation in the house, and smiling to media workers, against whom, by his own admission, he has no complaints to make even when they obviously attack the CPRF. "I still believe that in the June election we should act as a single team of professionals, making it clear who will be president, premier, his deputies, and key ministers," Zyuganov said. According to the CPRF leader, none of the people who will come to power in Russia in summer 1996 will wear a wreath of laurels. They will be confronted with "hard work and enormous responsibility." Gennadiy Zyuganov himself is ready to take on this burden.

The presidential candidate outlined the first priority moves he intends to make in the event of his advent in the Kremlin. The main emphasis will be placed on fighting corruption (civil servants will be obliged to declare their incomes) and terrorism (new special units will be created and their activity closely coordinated) and on targeted social support for the low-income groups and the unemployed.

The initiative group members who took the floor mostly gave advice to Zyuganov and avoided direct criticism of the authorities. It was recommended to the CPRF leader to promote relations with the big banking capital, concerned over the future of its assets invested in state securities and give it guarantees that after the Communists come to power financial markets will not be shaken.

At the end of the formal part of the event, Aleksey Podberezkin, chairman of the Spiritual Legacy Central Council held an inner-circle meeting with experts and image makers who will take part in Zyuganov's election campaign. It was attended by, among others, an FSB [Federal Security Service] major general who will presumably seek to win the Lubyanka [FSB headquarters] apparat's sympathies over to the CPRF chairman's side.

According to NEZAVISIMAYA GAZETA sources, it was decided to offer the post of shadow prime minister to Aman Tuleyev so that he drops out of the presidential race and pulls his candidacy in favor of Zyuganov.

Russia: Forty-Nine Groups Back 41 Presidential Aspirants

LD0902212096 Moscow ITAR-TASS in English 1931 GMT 9 Feb 96

[By Igor Belskiy]

[FBIS Transcribed Text] MOSCOW, February 9 (ITAR-TASS) — The Russian Central Electoral Commission today registered another 10 advance groups moving candidates for Russian president.

The registration is a go-ahead for the groups to embark on the campaign to collect one million signatures backing a presidential aspirant.

A total of 49 groups registered by now are backing a 41 force of possible presidential aspirants. Eight are campaigning to nominate Boris Yeltsin for running for a second term.

The commission has registered a second group whose hopeful is retired General Aleksandr Lebed, who won a parliamentary seat in the December legislative elections which however left out of parliament his Congress of Russian Communities bloc.

Grigoriy Yavlinskiy, the leader of the Yabloko bloc which came in fourth in the elections, is another contender.

Voters' groups are coming into action to register for the presidential election State Duma deputies Svyatoslav Fedorov, an ophthalmologist, and General Boris Gromov, who was the commander of Soviet troops in the Afghan war.

A first woman aspirant is in sight, Tamara Bazyleva, who is the president of the international concern Human Ecology.

The commission has also registered groups to campaign for Martin Shakkum, the director general of the International Foundation for Economic and Social Reforms, and Anatoliy Stankov, a Moscow city Duma deputy.

Russia: Poll: 33 Percent Do Not Want Political Change

LD1102201096 Moscow Russian Television Network in Russian 1700 GMT 11 Feb 96

[From the "Vesti" newscast]

[FBIS Translated Text] [Correspondent Ye. Zamyatina] Considering that after the elections to the State Duma the Communist Party has again become a real force and started vigorously campaigning for the presidential post, the Public Opinion Fund decided to clarify the attitude of Russian citizens to a possible change in the country's political climate. The following answers were received: 33 percent of the polled do not want any changes. A slightly lower number — 30 percent — believe that the Communists are best placed to protect their interests if they return to power. But the largest percentage — 37 percent — showed indifference to the developments in the political Olympus.

It is no news that in Moscow and St. Petersburg the number of supporters of the current authorities is double that of their opponents, 49 and 24 percent respectively.

Russia: Yeltsin Appoints Parliamentary Envoys

MK0802141796 Moscow SEGODNYA in Russian 8 Feb 96 p 1

[Unattributed report: "President Appoints His Representatives in Parliament"]

[FBIS Translated Text] Russian President Boris Yeltsin has appointed his representatives to both houses of the Federal Assembly. Anatoliy Sliva, who headed the Committee on Questions of Local Self-Government in the State Duma of the previous convocation, has become the representative of the head of state in the Federation Council. Aleksandr Kotenkov, who now holds the position of Russian Federation deputy minister for the affairs of nationalities and regional policy, has been tasked with similar duties in the State Duma.

Russia: Oleg Vyugin Appointed Deputy Finance Minister

LD0802235696 Moscow INTERFAX in English 2247 GMT 8 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 8 (FIA-INTERFAX) — Oleg Vyugin, head of the Russian Finance Ministry's Macroeconomic Policy Department, has been appointed deputy finance minister, a high-ranking Finance Ministry official told INTERFAX's Financial Information Agency [FIA] Thursday.

He said that Vyugin will most likely be in charge of macroeconomic policy and the state securities market, which were earlier the domain of Andrey Kazmin who was approved chairman of the Russian Sberbank in late January. In addition, Vyugin, together with First Deputy Finance Minister Andrey Vavilov, will hold talks with international financial institutions.

According to the source, Vyugin was appointed to his new post on the initiative of Finance Minister Vladimir Panskov.

Russia: Kulikov Reports on State of Interior Ministry

LD1102175496 Moscow Russian Television Network in Russian 0855 GMT 11 Feb 96

[Report by Russian Interior Minister Anatoliy Kulikov to Russian Government sitting in Moscow on 9 February — recorded; from the "Vertical" program]

[FBIS Translated Text] I do not know about the exact state of affairs in other departments, apart from reports saying how many teachers are on strike or who is holding a picket, which I receive daily and report back to most of you.

But I know very well that the state of affairs in the Armed Forces and the Ministry of Internal Affairs is critical. The situation is such that we cannot continue to be in charge of these departments. We cannot.... [pauses] People go on hunger strikes, people go on strike. It is just impossible. Very soon we will simply stop catching criminals — this is what is happening now! And for a very simple reason: because we are not paying people.

Now I am ready to announce what my experts have proposed. We were instructed by the government on 20 January to analyze the results of the inspection to check the implementation of the president's edict on administrative buildings and office premises intended as accommodation for power bodies. Now we are passing the summarized results of this inspection to the procuracy because 70 percent of state buildings occupied by all of us have been let out to commercial structures. Money is being charged for this and the treasury is not receiving a penny.

Why did the extracting industries give only 40 percent of the their controlling packages of shares to the state while in most other countries in the world the state has at least 50-60 percent? Why are we allowing this to happen? Afterwards, managers are saying: I will think about where to invest the money; I will wait and see who our next president is and who is in the next government. I will think whether to transfer all the money abroad or whether to leave some in Russia. All this is simply because the controlling package of shares has been lost — it is now in private, not state, hands.

In our opinion, we must give up ineffective and costly budget infusions and suspend all these laws we were talking about here.

This also concerns the financing of Chechnya. In our opinion, in Chechnya we must finance pensions and social benefits to those who have lost the breadwinner or whose houses have been destroyed. As for the rest, we must wait until the situation is stabilized there and pay the money after the stabilization of the situation. Because at present there are red and white representatives in half of the regions there. When the money arrives there, it goes astray to Dzhokhar Dudayev. Doku Zavgayev must pass the money to someone who will sign for it and become Zavgayev's ally, and to avoid the involvement of 11 banks instead of five that are supposed to be involved in dealing with this money.

Russia: Kulikov Urges Nationalization of Banks To Boost Revenues

LD0902215996 Moscow Russian Public Television First Channel Network in Russian 1800 GMT 9 Feb 96

[FBIS Translated Text] Interior Minister Anatoliy Kulikov made a sensational statement at today's sitting of the government. Searching for a solution to the chronic shortage of cash in the federal budget, he suggested, and I quote, superficial ways of boosting revenues. One of them is partial nationalization of commercial banks and monopoly businesses.

[Natalya Chernyshova over video of ministers and others at sitting] The reason for the minister's passionate speech was the cash-strapped state of the interior troops and indeed the entire army. Most of the seven months in the job have been spent on extracting money. Meanwhile, according to Kulikov, the government blindly follows the suggestions of the economic departments instead of searching for extra revenue sources.

The first thing to do is call an emergency government session to debate all possible ways of replenishing the budget. Interior minister experts have already identified the main superficial sources: partial nationalization of commercial banks and monopolies; state possession of controlling interests in the oil and gas companies, as is the practice everywhere else in the world; an end to squandering money on various fetes and festivals like the celebration of the 350th anniversary of the samovar, which will cost the state 50 billion rubles. Kulikov also proposes reviewing petroleum product export duties and tighter control over the leasing to private businesses of factory and office space in state institutions.

[Begin recording] [Kulikov] Audits have shown that over half of them are leased out but the money isn't going to the treasury.

[Chernyshova] Do you get the impression that members of the government agree with you and support your proposals?

[Kulikov] Yes, that's my impression. At least, I felt they did from informal conversations.

[Chernyshova] Do you think there will be policy changes?

[Kulikov] I'm sure there will be. We can't carry on like this. We, the government, have obligations. [end recording] [video shows Kulikov, in uniform speaking to Chernyshova]

[Chernyshova] The members of the cabinet were in no rush at their sitting to support the list of proposals today, although they did take note of it. However, whatever happens, the government will have to work hard to replenish the budget. Especially now in the light of the new social policy.

Russia: Kostikov Submits Resignation as Vatican Ambassador

LD0902181696 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 9 Feb 96

[FBIS Translated Text] Vyacheslav Kostikov, Russian ambassador to the Vatican and ex-press secretary to the president, has submitted his resignation. The Scandals of the Week program on the TV-6 [Moscow TV channel] and the Moscow Echo radio station have learned from well-informed sources that Kostikov is to leave for the Vatican next Sunday. Most likely, it will be his last trip.

Let us remind you that a few days ago [6 February] the Foreign Ministry spokesmen accused Vyacheslav Kostikov of sharp criticism of the president's policy during an interview with the Itogi program.

In addition, neither the press service of the Foreign Ministry nor the press service of the president's administration confirmed this information today.

Russia: Daily Views Lebed's Anti-Alcohol Remark

MM0802125696 Moscow ROSSIYSKAYA GAZETA in Russian 8 Feb 96 p 1

[Article by Aleksey Sviblov: "General Lebed Allows Country To Drink Only on Holidays"]

[FBIS Translated Text] To be precise a verbatim quotation from the interview given by General A. Lebed, the Russian presidential candidate, in yesterday's KOMSOMOLSKAYA PRAVDA goes like this: "If you give people a goal they will still drink, but only in moderation, at celebrations, and no more." In other words the presidential candidate, if out of our generosity he receives the Russian throne, is making a veiled promise of a new stage of the struggle against "drunkenness and alcoholism" with the aid of edicts, bans, and the consistent, centralized alteration of human nature.

Since the party and government resolution of the seventies through Gorbachev's notorious anti-alcohol campaign the country has accumulated some sad experience. But it is characteristic that a man who believes that since he commanded an army well he will also be a good president has shown himself to be a new supporter of such measures.

Nothing is known about whether Aleksandr Lebed has tried to implement the anti-alcohol ideas he has expressed among the officers. At the level of the company, battalion, or division. It is not out of the question that if he had tried his career would have been cut short far earlier. Even such omnipotent men as Mikhail Gorbachev and Yegor Gaydar were unable to overcome the grape and slipped up over the brake fluid and denatured alcohol which became popular while they were in power.

And it is not a case of spoiled human nature but of what are as a rule simple economic laws. In the not so distant past almost one third of the state budget rested on the profit from the sale of alcohol. Willy-nilly the "water of life" became the source of payment of the salaries of workers in budget-funded enterprises and the strengthening of the social sphere. The money stayed at home, as the saying goes.

The country's present economic problems are largely explained by the fact that the state's "wine monopoly," traditional for Russia since the time of Ivan the Terrible, has been disrupted. The number of enterprises producing alcohol has become considerably larger while the receipt of "drunken" money in the treasury has declined radically. The internal market has been sold out to foreign "moonshiners." So the decrees adopted recently should return to the country its monopoly on alcohol.

That is real state policy which in any circumstances should remain the strategy of the possible.

But General Lebed's plans may cause the country to experience yet another harsh sobering up period.

Russia: 'Bad Socialism' Said Better Than Any Capitalism

MM0802132896 Moscow PRAVDA in Russian 8 Feb 96 p 1

[Article by engineer Grigoriy Kopysov: "Life Teaches Unity of Action. Don't Exchange a Goal for Ambitions and Disputes"]

[FBIS Translated Text] Izhevsk — So, the 17 December 1995 elections have taken place and aroused universal lively interest. It would probably be possible to rejoice at the election results if the State Duma that we elects really resolved something. But we should not be seduced by the left-wingers' success. It will lead to no change in state affairs that is at all outstanding.

It was, by all means, a major trial of strength, a rehearsal, and an in-depth sounding out of public opinion — that is the undoubted value of these elections. It has become clear that Russians as a whole have a good grasp of the historical situation. People have obviously realized that even the "primitive," "barracks" socialism under which we were living and from which we are now being led further and further away is better than the much-vaunted capitalism, whose African version is being imposed on us without any restraint. It is better because socialism is based on the principle of social justice, whereas the driving force of capitalism is the predatoriness of slick operators — their greed, meanness, cunning, and shrewdness. Bad socialism can be brought up to condition, but capitalism, alas, is hopeless. Thank God, we seem, on the whole, to be aware of this.

But today it is no longer that easy to recover what has been lost. While we were listening to sweet-voiced foreign sirens and dozing in front of our television sets to endless "Santa Barbaras" and "Tropicancas," the young Russian bourgeoisie's teeth had grown stronger. On 28 December 1995 A. Chubays, ideologue of the Russian class of private owners and godfather of privatization, replied to a question from a television moderator about the possibility of the reverse process, of the deprivatization of former state property, by muttering: "Let them try to take it back! They will not succeed!" "They will not succeed without bloodshed!" he added challengingly.

This is true. Today they have the power and the money. The Army and other power structures are in their hands. They have become the masters of the natural riches and the earth's resources and the owners of factories, plants, and everything that the people made over the course of 70 years of Soviet power. I am afraid that the process really will become irreversible.

Russians voted for the communists. Despite the fact that in the past decade the mass media have rained down an avalanche of shit and dirt on the Communist Party and its past and present leaders, the people continue to believe in this party. I would like to think that the events of the past decade really have taught our party members something and that the communists of the nineties are different from the communists of the pre-perestroyka period.

It must not be forgotten that the pre-perestroyka party discredited itself. It rotted to its roots, becoming so degraded that it gave up itself, without struggle or resistance, the state power over which it had complete dominion.

I would like to believe that we voted for a different, renewed party. But it seems that not all is well in the present communist movement either. For some reason Gennadiy Zyuganov and Viktor Anpilov went into the elections in different blocs.

There is nothing negative in the fact that the communist movement is formed from different trends. The teaching of Marx is not dogma but just a foundation, a mainstay for searching, creative thought. In the search for the optimum way to the future debate is not just possible but vitally necessary. We must derive the root of insight from our own experience at least. Our past pseudo like-mindedness and our notorious "We approve!" are still too fresh in the people's memory. We know what that resulted in.

The destruction of internal opposition was one of the Leninist party's fatal mistakes. Progress in thought is stimulated by a struggle of opinions, as an electric current is stimulated by the difference of potentials between poles. The lack of opposition and the inadmissibility of questing within the party led to stagnation, paralysis of thought, and the leaders' degeneration and, as a natural result, to the party's breakup. We must remember that lesson. Not eliminate the opponent but idolize him, pamper him, look after him, and care for him, because the opponent is the very magician that cautions against mistakes and keeps us on course.

The "strict theoretician" Nina Andreyeva, the ardent tribune Viktor Anpilov, and the moderate pragmatist Gennadiy Zyuganov are all of identical interest to me, the ordinary Joe who sympathizes with the Communist Party. It seems to me that they complement each other excellently and are equally necessary to the party. The fact that they are disunited today represents an annoying mistake.

Of all the colors of the rainbow one person prefers red, another violet, another yellow, and yet another green, but in combination these colors form a spectrum which accords with the aspirations of everything living. So let a spectrum triumph which has its own extremes. It is important that they have a common platform and no contradictions of an antagonistic nature.

In Udmurtia the votes cast for Zyuganov and Anpilov were split practically 50-50. In Russia as a whole the RCWP [Russian Communist Workers' Party] picked up quite a lot of votes. The leaders of the left-wing trends should draw conclusions from this situation. There is still time before the presidential election, which could determine Russia's fate.

Time to gather stones. It must not be wasted.

Military Issues

Russia: Military-Technical Policy Council To Include Davydov

MM1202095896 Moscow ROSSIYSKAYA GAZETA in Russian 10 Feb 96 p 15

[Russian Federation Presidential Edict No. 131, signed by President Yeltsin in Moscow on 31 January 1996: "On Changes to Russian Federation Presidential Edict No. 590 'On the Russian Federation Interdepartmental Coordinating Council for Military-Technical Policy' of 14 June 1995"]

[FBIS Translated Text] In connection with the Russian Federation Government's proposal, I decree that:

1. Paragraph 6 of the Statute on the Russian Federation Interdepartmental Coordinating Council for Military-Technical Policy ratified by Russian Federation Presidential Edict No. 590 of 14 June 1995 (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, No. 25, 1995, p. 2379), include a second subparagraph as follows:

"The first deputy chairman of the Interdepartmental Coordinating Council for Military-Technical Policy is a deputy chairman of the Russian Federation Government."

2. O.D. Davydov, deputy chairman of the Russian Federation Government and the Russian Federation minister of foreign economic relations, shall be included in the Russian Federation Interdepartmental Coordinating Council for Military-Technical Policy ratified by Russian Federation Presidential Edict No. 590 of 14 June 1995, and be confirmed as first deputy chairman of the council.

3. This edict comes into force from the day it is signed.

[Signed] Russian Federation President B. Yeltsin
[Dated] Moscow, the Kremlin, 31 January 1996
No. 131

Russia: Grachev: Airborne Troops To Be Reinforced

LD1002151496 Moscow INTERFAX in English 1349 GMT 10 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 10 (INTERFAX) — Russia's airborne troops will not only be preserved, but also reinforced, Defense Minister Pavel Grachev told INTERFAX. He returned from a tour of the former Yugoslavia on Friday [9 February].

According to him, there are plans to supplement the airborne troops with tanks, armored vehicles and artillery. Later they will also have air defense installations.

Grachev categorically denied the allegations of some politicians that the transfer of four brigades of airborne troops to ground troops will lead to liquidating airborne troops.

"As advanced and elite units, airborne troops will develop," he said.

He instructed the commander of airborne troops Cl.-General Yevgeniy Podkolzin to draft by early March a plan for reorganizing airborne troops, Grachev said. "Airborne troops will have a new image; they will be capable of accomplishing tactical tasks on their own," he pointed out.

The methods of lifting airborne troops to the areas where they will accomplish their tasks will also change, Grachev said. "Considering modern air defense weapons, I think that it is unwise to drop the troops over the area of their destination by parachute," he said.

As INTERFAX learned from Russia's Defense Ministry, five divisions and four brigades remained in the structure of airborne troops, when four assault units had been transferred to the ground troops. Therefore of the 48,500 airborne troops 12,500 servicemen have been transferred to reinforce the ground troops.

In the meantime sources in the Defense Ministry believe that the number of airborne troops may reach 60 to 65 thousand men, when they are reinforced with heavy armored vehicles and artillery.

Russia: Kulikov Urges Emergency Measures To Finance Army

LD0902185396 Moscow INTERFAX in English 1733 GMT 9 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 9 (INTERFAX) — Russian Interior Minister Anatoliy Kulikov has proposed emergency measures to ensure that the budget receives the revenues needed to properly finance the army and law-enforcement agencies.

Informed sources told INTERFAX that the measures were proposed by Kulikov at the final stage of the government session held Friday behind closed doors.

According to a source, Kulikov said the current situation in the armed forces and law-enforcement agencies is similar to that of February 1917. "Then the army was broken up by the Bolsheviks, now it is broken up by non-payments," the source cited the interior minister as saying.

Kulikov proposed a series of measures he believes could ensure such revenues to the budget which would allow to finance the army properly. The measures include increasing the state's share in some commercial banks and major joint-stock companies up to the size of controlling blocs of shares. In addition, Kulikov proposed to use the country's hard currency reserves, with a previous extension of borders of ruble's fluctuation against the dollar.

Kulikov pointed out the need to suspend investment in the Chechen economy until constitutional order is restored in the Russia's North Caucasian republic. For the time being he proposed to limit all financing of Chechnya to compensations and pensions to the population.

According to him, it is also expedient to investigate facts of state agencies leasing their buildings to commercial companies.

After Kulikov's report the government decided to discuss the financing of the army and law-enforcement agencies at one of its following sessions behind closed doors.

Russian Labor Minister Gennadiy Melikyan, who attended the government session, told INTERFAX that although he does not agree with everything Kulikov said, he could suggest some measures in addition to those proposed by the interior minister.

Melikyan believes that when the state provides budgetary loans or subsidies, or grants tax exemptions to certain companies, the Finance Ministry must have the right to sign agreements with the companies, envisaging not only spending on particular purposes but also an austerity regime as to consumption and payroll funds and administrative expenses. According to him, quite often companies which do not pay taxes to the budget still find the funds to hold luxurious board of director sessions in Paris or on Majorca.

Russia: Lobov Discusses National Defense Financing Crisis

MM0902125196 Moscow KRASNAYA ZVEZDA in Russian 9 Feb 96 p 1

[Report by Vitaliy Strugovets: "Security Council Has Admitted That Debts to Military Have Not Been Returned; It Has Been Promised That in 10 Days' Time the Army Will Learn How It Will Be Financed"]

[FBIS Translated Text] Since the start of the new financial year the Russian Federation Security Council has been obliged to examine the question of the national defense financing crisis.

In the opinion of Oleg Lobov, secretary of the Russian Security Council, which he voiced at a 7 February press conference, the problem is caused by three factors: the unsatisfactory financial provision for the military units, the poor return on the funds earmarked for the conversion of military production facilities, and difficulties in fulfilling the state order in the military-industrial complex.

Let us begin with the final point. In accordance with the recently published survey from the Russian Federation Government Center for the Economic Situation, the volume of production output at Russia's defense sector enterprises has almost halved over the past two years. The greatest decline in production is in the aircraft, electronics, and communications facilities industry. That is the industries which are usually called high-technology. The main reason is the incomplete and belated financing of the state sector.

It was to this, Oleg Lobov said, that head of state Boris Yeltsin drew the close attention of the Russian Federation Security Council members. Proceeding from the situation which has taken shape, the Russian Federation president noted, the program of state orders to the military-industrial complex on which national defense directly depends will be examined once more by the country's leadership.

But wages arrears remain a real scourge. In the defense complex alone, according to information from the State Committee for the Defense Sectors of Industry, they are 1.5 trillion rubles [R]. Arrears are no smaller for the troops directly. Today, toward the end of the first 10 days of February, in some military units and institutions not all the money for last year has yet been paid. And that, let me remind you, is after Prime Minister Viktor Chernomyrdin's assurance in December that the army would be financed in full for 1995. It is true that two months later Vitaliy Artyukhov, first deputy minister of finances, admitted in his 7 February speech at the Federation Council that wages arrears to the Defense Ministry, Internal Affairs Ministry, and Federal Security Service are now R3 trillion. But he immediately assured the senators that the schedule set by the government for paying off wages arrears to these three departments is being met ahead of time.

Oleg Lobov stated that the final agreement on the existing problems for financing the power structures should be made in a special program which the Russian Federation president has given the ministries of finances, defense, and internal affairs 10 days to prepare.

Russia: Lack of Funds Causes Border Service Shortages

LD1202120196 Moscow ITAR-TASS in English 1112 GMT 12 Feb 96

[By Svetlana Ivanova and Boris Kipkeyev]

[FBIS Transcribed Text] MOSCOW, February 12 (ITAR-TASS) — As of the beginning of 1996, a total of 332 billion roubles were not allocated from the Russian state budget to the border troops of Russia, a spokesman for the press centre of the Federal border service told ITAR-TASS.

The last year's insufficient financing caused a shortage of the supply of the border troops with communication means and armored vehicles.

For the same reason the border troops have not received from the industry nine ships and 32 patrol boats intended for the guarding of the state boundary.

A critical situation is observed in the condition of emergency and rescue means. Over 40 per cent of the planned repair works of ships and boats have not been carried out.

According to experts from the border service, such low level of financing has also brought down the combat readiness of military aircraft employed by the border troops which are not supplied with new planes and helicopters.

To resolve financial problems, units of the North Western border district were compelled to resort to the assistance from local power bodies, enterprises and organisations.

In January and February this year the government of the Leningrad region, the Svyatogorsk integrated pulp-and-paper mill, the St. Petersburg branch of the "Incombank" and a number of other organisations transferred about four billion roubles to the border service of Russia.

Federal Assembly

Russia: Primakov Meets With Duma International Committee

MM0902164796 Moscow IZVESTIYA in Russian 10 Feb 96 p 3

[Report by Maksim Yusin: "Deputies Promised a Great Power. Yevgeniy Primakov Finds Common Diplomatic Language With Duma International Committee"]

[FBIS Translated Text] On 8 February Russian Foreign Minister Yevgeniy Primakov met for the first time with members of the State Duma International Affairs

Committee. The new Foreign Ministry chief showed a clear desire from the outset to find a common language with the committee headed by Vladimir Lukin, with which Yevgeniy Maksimovich's predecessor, Andrey Kozyrev, did not establish a relationship.

In a 20-minute speech the Russian diplomacy chief set out the basic tenets of his foreign policy concept. The deputies certainly appreciated the minister's oft-repeated idea that Russia was, is, and must remain a great power. The Foreign Ministry will be protecting national interests more actively than before, Primakov assured them. Moreover, according to him, it is important not to cross the line beyond which you might start sliding toward confrontation and Cold War.

The minister believes that many Western politicians have a mistaken and crude attitude toward the rapprochement of post-Soviet states. Primakov is convinced that it is not imperial ambitions on Moscow's part, it is not a matter of attempting to recreate the Soviet Union, and it is not a repudiation of the sovereignty gained by the republics: "An objective basis for integration exists, and it cannot be ignored. In no other region of the world have there been relations as close as those among the republics of the former USSR." At the same time, the minister admitted that the Soviet Union was a unitary state and it cannot be recreated in its previous form.

The minister described the eastward expansion of NATO as the chief irritant in relations between the West and Russia. What is Moscow to do in this situation? "We cannot bang our fists on the table and we cannot impose a veto, indeed we do not have a veto. We do not have the power to prohibit a sovereign state from joining a particular organization. At the same time, Russia must not forget its own interests," the Russian diplomacy chief believes.

Primakov does not like the formula proposed by the Americans, which envisages the expansion of NATO in one year's time, not straight away. The minister proposed that this year be used to seek a different solution taking into account both Russia's interests and the fears of the East European states.

When he finished his speech Yevgeniy Maksimovich took deputies' questions. Under the standing orders this part of the sitting was supposed to take place behind closed doors: The journalists in the chamber were asked to leave. One meeting participant told IZVESTIYA that the question and answer session had lasted around one hour. Evidently Primakov managed to make a favorable impression on the deputies. Despite the abundance of Communists and Zhirinovskiyites, the meeting passed off without the usual angry tirades against the Foreign Ministry.

Answering Telman Gdlyan's question whether the START II treaty, concluded three years ago, infringes upon Russian interests in the altered international situation, Primakov said that the treaty fully accords with Russian interests and he urged deputies to ratify it as soon as possible.

This appeal by the minister is unlikely to be heeded. According to an informed IZVESTIYA interlocutor, most of the deputies on the International Affairs Committee are inclined to postpone consideration of the treaty at least until the June presidential elections.

Some of the questions put to Primakov were about relations with CIS countries. The minister said that as a realist he appreciated that at the moment one can talk about the integration of only three Commonwealth states — Russian, Belarus, and Kazakhstan. With the remaining former Soviet republics the emphasis has to be on bilateral relations. This applies in particular to Ukraine, which at the moment is clearly not ready to join the integration process. The Foreign Ministry chief made no secret of the fact that Moscow is wary about the activation of U.S. diplomacy in the post-Soviet area.

In conclusion the minister announced that an edict by Boris Yeltsin is in preparation, and will soon be signed, giving the key role in the coordination of the country's foreign policy to the Foreign Ministry. Clearly, the edict saying the exact opposite, signed at the end of last year and providing for the creation of a Foreign Policy Council under the president, which was seen in Smolenskaya Square as a serious blow to the Foreign Ministry's positions, will thereby cease to be valid.

Russia: Chechnya Funding Edict May Be Challenged in Duma

MM1202120096 Moscow IZVESTIYA in Russian 10 Feb 96 p 2

[Report by Irina Savateyeva: "'Chechen Money' May Become Subject of Constitutional Investigation"]

[FBIS Translated Text] A few days ago during a sitting of the State Duma budget committee, deputies questioned the legality of the expenditure envisaged in the President's January Edict No. 86 for restoration work in the Chechen Republic. However, things have not yet reached the level of an inquiry in the Constitutional Court. One of the reasons for this is that the edict has not been published in the press, and consequently is not being considered as having entered into force.

In an interview with IZVESTIYA, [budget] committee Chairman Mikhail Zadornov outlined several aspects on which the Duma budget committee had some bewildered questions to ask.

First and foremost, the volume of the proposed expenditure. The 16.2 trillion rubles [R] plus $1 billion in foreign loans is more than any socially significant program is being given in the 1996 budget. Thus, allocations worth a mere R11 trillion have been envisaged by the federal budget for science this year. Health protection is getting 7.5 trillion. Social policy in its entirety will cost the treasury R12.6 trillion this year. Against the backdrop of these figures, the Chechen expenditure looks quite simply monstrous.

Mikhail Zadornov maintains that the implementation of the "Chechen" edict will strip the investment program (R29 trillion), which is not being implemented from one year to the next anyway. And this means that there will be no construction work on the subways in Moscow and St. Petersburg; the servicemen released into the reserve will not receive 5 trillion for the construction of housing; and people leaving the North will not receive the 1.2 trillion worth of housing subsidies they are expecting.

Objections of a more general nature have also been raised. Deputies believe that it is inexpedient to allocate funds for restoration work in Chechnya before the situation in this republic is settled in political terms.

"This does not mean that we are opposed to funding the Chechen Republic on principle," Mikhail Zadornov stressed. "Both in 1995 and in 1996 funds have been channeled out of the federal budget into the republic for financing top-priority expenditure: for wages for workers in budget-funded sectors, for pensions, for maintaining a sanitary and epidemiological service, and for resettling refugees from Chechnya. Last year this expenditure constituted around R1.5 trillion. It will remain at the level of 1.5-2 trillion this year. But the Duma's stance is that a program of restoration work should not be funded before a political settlement to the Chechen conflict is achieved.

Mikhail Zadornov is also drawing attention to the fact that the Duma has not seen the actual program yet. And, according to the budget committee, it should be ratified in the same way as any federal targeted program is ratified.

As for the question of the constitutionality of certain provisions in the President's Edict No. 86, then the following points are being expressed in this connection. According to the Constitution, a presidential edict should not contravene a federal law. And this includes the Law on the Budget. But in the aforementioned edict, from the point of view of the parliamentarians, several aspects can be examined in terms of their correspondence with this law.

This is first and foremost a question of the fate of the $1 billion of foreign loans. As we know, the Law on the 1996 Budget presupposes that loans to the tune of $9 billion will be taken out. All this money has already been assigned — both in terms of sources of income and in terms of expenditure items — in accordance with the program for budget loans. And this program has already been ratified, together with the budget. Thus the 1 billion for Chechnya can only be collected out of already envisaged expenditure. Which, according to the deputies, contravenes the Law on the Budget.

Another aspect whose constitutionality may cause some doubts, as the members of the budget committee see it, consists in the following. Edict No. 86 contains direct instructions from the president to increase the sums envisaged for the funding of the Chechnya road fund at the expense of other budget articles. This redistribution also contravenes the Law on the Budget, the Duma believes.

Furthermore, the actual fact of the president adopting concrete expenditure decisions contravenes the constitutional principle of the division of power, the budget committee believes. Such decisions should be put forward by the government in the form of draft amendments to existing laws and be ratified by the parliament.

However, so far the budget committee has not decided definitively whether there are sufficient grounds for entering into a constitutional dispute with the president. After all, Edict No. 86 has not yet been published in the press, and this means it has not entered into force. And it is absolutely unclear whether the executive will put any mechanism into operation to implement it.

At present the Duma is waiting for the quarterly dividing up of the federal budget, its departmental structure, and investment programs, which should be issued by the government any day. It is within the framework of this document, Mikhail Zadornov believes, that the executive power will make (or not make) amendments to the already ratified budget in connection with the need to fund restoration work in Chechnya. Therefore, the State Duma budget committee only intends to adopt a final decision on the question of appealing to the Constitutional Court once it has studied this document.

Russia: Duma Adopts Law on Deputies' Job Plurality

LD1002063896 Moscow INTERFAX in English 0207 GMT 10 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 9 (INTERFAX) — The State Duma, Russia's lower house of parliament, on Friday passed amendments to a law on the status of a parliamentary deputy under which members of the armed forces, police officers and members of prosecutors' offices who have been elected to the Duma would have to quit their positions for the period they remain deputies.

The amendments are subject to approval by the Federation Council, the upper house of parliament.

Previously the law contained such a provision but it applied only to members of the former Duma.

Russia: Council Chairman Stroyev Confirms Adherence to Reforms

MK1002081796 Moscow NEZAVISIMAYA GAZETA in Russian 8 Feb 96 pp 1-2

[Interview with Yegor Stroyev, Federation Council chairman, by Konstantin Katanyan; place and date not given: "The Movement Toward Market Economy Cannot Be Stopped. Some People Mechanically Continue To Regard Federation Council Chairman Yegor Stroyev as a Communist" — first two paragraphs are a biographical sketch]

[FBIS Translated Excerpt] Yegor Semenovich Stroyev was born on 25 February 1937 in the village of Dudkino, Khotynets Rayon, Orel Oblast, in a peasant family. In 1960, he graduated from the Michurin Fruit and Vegetable Institute as agricultural scientist. In 1969, he graduated from the CPSU Central Committee Higher Party School. From 1955 till 1963, he worked at a state farm. For 28 years he was a [communist] party functionary, holding high posts, such as that of secretary of the CPSU Central Committee in charge of the agrarian sector and that of politburo member. Since April 1993, he has been the head of the Orel Oblast administration. Since May 1995, he has been a council member of the "Russia Is Our Home" all-Russia sociopolitical movement. Since January 1996, he has been a member of the Federation Council of the Russian Federation Federal Assembly and was elected its chairman on 23 January.

Yegor Stroyev is a doctor of economics and a corresponding member of the Russian Academy of Agricultural Sciences.

[Katanyan] Yegor Semenovich, you will have to fulfill the functions of the speaker of Russian parliament's upper house without giving up your work as Orel Oblast administration head. Other senators are not relieved of their duties at the local level either. Is such a combination of duties feasible?

[Stroyev] I think that in this situation the selection of Federation Council members from among the regional leaders of the legislative and the executive branches is the best option. The previous Federation Council's experience has shown that the presence of the leaders of the Federation components there stabilizes the situation and guarantees that no extreme stance is taken. As for the attempt to create political factions in that upper house out of representatives of the right and the left blocs, this has only lead to the emergence of two groups: a group of pragmatists, feeling responsible for the observance of laws, and a group of deputies who have lost touch with the provinces.

After all, every leader is not a mere legislator, but also an executor of the adopted laws on his territory. Therefore, they [leaders] will not pass any chance and populist laws unbacked by funding. Moreover, the settlement of many regional conflicts today, including military ones, largely depends precisely on regional leaders, who should direct all their energy and wisdom to secure peace and safety of people. It is precisely at the Federation Council that they can coordinate their stances and find a common language.

Speaking about a long-term perspective, the Federation Council should, to my mind, be elected on an independent basis, being given more liberty and opportunities to engage in lawmaking. This ideal model can only be implemented, however, when the situation in the country stabilizes and economic, political, and social reforms take a normal course. As for today, in our difficult times, the Federation Council — I wish to repeat this — is, above all, a stabilizer, preventing the country from swaying from side to side. [passage omitted]

[Katanyan] Do you not fear that the [Federation Council] apparatus, having gone out of control, can turn into a self-contained structure and overpower the Federation Council?

[Stroyev] I have broad managerial experience, and therefore I do not have any fears in this respect. If the intellectual potential of the apparatus is so high that this will permit them to "outshine" the house members and further elevate the standing of the Federation Council, we will only be proud of such a staff.

I hope imperious ambitions are not one of local merits. Everyone, however, should be concerned about having ample skills and knowledge. We will never let the apparatus be in conflict with the Federation Council. The heart should not fight with the liver.

[Katanyan] Are you going to retain the former heads of the apparatus, or staff changes are inevitable?

[Stroyev] The senior staff is already being strengthened, and this process will surely continue.

[Katanyan] Let me explain what I mean. It has been rumored that Anatoliy Dolgolaptev, former deputy speaker of the house, will be appointed head of its apparatus....

[Stroyev] Rumors abound. Various candidacies were suggested to me by different officials. For instance, it was agreed that Aleksandr Ivanovich Kazakov would come to work here. He himself had nothing against this transfer, but, all of a sudden, he was appointed deputy chairman of the Russian Federation government.

We are considering various proposals and, at the same time, are giving the apparatus a chance to show its worth. Haste in staff matters is the worst of evils.

[Katanyan] As is known, the Federation Council should mainly consider laws passed by the Duma. It has, however, the right to draft legislation, and, therefore, it would be interesting to know what draft laws you regard as priorities today.

[Stroyev] We have agreed to work out a program of legislative activity of the Federation Council, taking into consideration proposals of the president, the government, and the State Duma, as well as all of our committees and every individual member of the house. This code of draft laws will help to work out a conceptual approach to the main problems to be addressed by our parliament. We need to give up the current practice when individual laws — which, even if adopted, bring no good — are picked up in isolation from the general system. Russia is above all in need of a Civil Code, regulating relations in the society in every detail. It needs a Criminal Code, without which any talk about gangsterism and rampant crime make no sense. We are talking a lot about an agrarian reform, but we still have no Land Code.

In my opinion, laws on the federative structure of the Russian Federation and on local governance should also be considered as fundamental. It is there, at the low level, that a sea of contradictions exists now. The current legislation does not even take into consideration previous Russian practices, such as the 200-year history of the zemstvo [an elective district or provincial administrative assembly] system. The legislation is mechanically transferring on our soil alien relations, without taking into account specific domestic features and having no financial basis whatsoever. As for material backing, no law will work without this.

[Katanyan] Some good laws, however, have indeed been adopted, including the often mentioned statutory acts from the so-called social package....

[Stroyev] The previous Federation Council together with the State Duma adopted a series of laws on social security of people. These laws, however, have not been coordinated with the budget, contradict one another, and are therefore planting numerous social time bombs. Incidentally, I am sinful of this too, since I worked in the previous Federation Council.

As a result, funds to give teachers, physicians, and culture workers a raise in salary had to be procured from local budgets, which are falling to pieces as it is. For instance, in our Orel Oblast we had no such money, so investment programs and plans to build social facilities — hospitals, kindergartens, and schools — had to be cut down. Therefore, the first item on the agenda of the Federation Council's second session will be the approval of a law on minimum social guarantees to Russian citizens.

The second law which we need to consider is one on securities and mortgage. We have been trading in property and issuing shares for four years now, but we have no law to specify what such concepts as property and securities actually mean.

[Katanyan] I cannot help agreeing with you, but, for some reason, you have not mentioned a Tax Code among priority laws.

[Stroyev] I did not mean to name all of the fundamental laws. Of course, a Tax Code is of paramount importance, because the situation with taxes in this country now is absurd. So many amendments have been made to the current laws that even tax system workers are unaware of all the taxes which should be collected in Russia.

On one hand, we need an explicit and clear law, but on the other hand, we should say frankly that tax rates need to be reduced so as to channel the funds of enterprises exempt from taxes for production development.

[Katanyan] The fact that it is simply unrealistic to collect all of the existing taxes should probably also be taken into consideration.

[Stroyev] Taxes are not being collected, and, as a result, as shown by statistics, people's savings have started to grow rapidly. At the same time, however, the volume of production continues to decline. This is plainly absurd.

Therefore, savings are growing only with certain groups of people, who, by using various ways, but mostly owing to the existence of "black funds" [chernaya kassa], receive untaxed incomes. Thus, large amounts of money go past the state and contribute to the enrichment of mafia structures. All over the world, the punishment for tax evasion is very harsh, but we are just throwing up our hands. [passage omitted]

[Katanyan] Even now many people do not realize what the advantages of a market economy are. What shall we do then — go on with reforms or stop them so as to better stand on our feet? Or should we possibly take a step backward?

[Stroyev] Such a formulation of the question is improper, although this wording (a step forward, two steps backward) has already become widespread over the past decades. We have to move toward a market economy as firmly as we can. Despite all of the talk about mistakes made on this way, we will never go back. The forward movement, however, should be well-considered, without haste.

All our contradictions now are underlain exclusively by considerations of how the reforms should be carried out, rather than by the fact that someone is against a market-based economy. This reminds me of a famous saying: "Those who know what to do start doing it, whereas those who do not start talking about how it should be done."

A lot has been and is being said about how reforms should be done, but, as a matter of fact, it appears that there is a lack in brains and pragmatism, in the knowledge of actual reality, national economy, and mentality of our people for doing something practically. As a result, we have made much progress in reasoning but are lagging behind in accomplishments.

What kind of market is this, if securities do not work, a reliable banking system is nonexistent, pension funds — which are the most wealthy structures in the West — have never managed to rise, and an attempt to create stock exchanges has in fact failed, because even the grain market does not work. Large wholesale markets do not work either; a dealer network has not been created.... In a word, we have disrupted old ties but have failed to give birth to new market relations. As a result, we have only bewildered the people. Only now are we beginning to slowly make sense out of this chaos; a market is beginning to spring up; and no one is any longer able to stop this process. It is like a locomotive which only needs to be put on wheels and have a fire in its firebox stoked, and then it will take you wherever you want — just choose the right course.

[Katanyan] Still, heads of some regions have managed to make progress in reforming their economies. You are one of them....

[Stroyev] I created a "market field," a market complex long ago: The securities market is working; our municipal bank in working; an extrabudgetary fund is working; a wholesale market structure for agricultural management is working; a center for the development of market relations and the support of small- and medium-sized businesses is working; and a commercial-paper system is working. We are issuing housing and food loans. Without any capital investment from the outside, we built 522 km of gas pipelines last year, which is twice the amount of 1994. The number of schools built was also twice as high as the year before. The turnover of financial resources, for instance at "Orlovskaya niva," a large joint-stock company, amounted to 4.7 times a year, whereas for the whole country the figure was as low as 1.7. Is this not a market if our agricultural trade turnover has reached 360 billion rubles? There is no other structure like that in Russia today.

It was neither yesterday nor even in the last five-year period that I set to reforming. This was probably even before Gaydar started to deal with it. This was the topic of my doctoral thesis; then I became a corresponding member [of the Academy of Sciences]. We held international conferences on the problems of the reorganization of agriculture. Later, our oblast was the first to introduce leasing and private farming, as well as the coexistence of various forms of ownership.

[Katanyan] You are constantly being pictured as an orthodox Communist, a veteran of the CPSU Central Committee, but your views do not seem to be very orthodox.

[Stroyev] In our oblast, nobody has long had any doubts about this, but here in Moscow people are still living in the past and are trying to stick some silly labels based on my biographical facts. I was a member of the CPSU Central Committee, a secretary, and a politburo member — I am proud of this, but in my practical work I have always tried to use scientific achievements, being fond of everything that is novel and extraordinary, and have always avoided dogmatism. My scientific colleagues are well aware of my views, and they will never blame me for things I never did.

[Katanyan] This notwithstanding, communist newspapers regard you as one of their family, and EXPRESS-KHRONIKA, on the contrary, accused you of having signed in August 1991 a letter demanding that actions of the State Committee for Emergency Situation [GKChP] be supported.

[Stroyev] I signed no such letter, and, in general, I regarded all this matter as an adventure. I took no part in the GKChP's actions whatsoever. If anything, after 19 August I called several conferences in the Kremlin, but even then nobody accused me of anything. Now, however, all of a sudden, they are starting to stir some moldy blanket [as published]. Why on earth do they need this? [passage omitted]

Regional Affairs

Russia: Yeltsin Signs Edict on Tatar Presidential Elections

LD1002195996 Moscow ITAR-TASS in English 1803 GMT 10 Feb 96

[FBIS Transcribed Text] MOSCOW, February 10 (ITAR-TASS) — Russian President Boris Yeltsin signed a decree on Saturday "On the Election of the President of the Republic of Tatarstan," the presidential press service said.

Yeltsin approved a resolution adopted by the Tatar State Council slating presidential elections in the republic for March 1996.

The decree instructs Tatar bodies of power "to ensure, within the period of time determined by federal laws and legislation of the Republic of Tatarstan, the fulfillment of organisational and technical work to prepare presidential elections in the Republic of Tatarstan."

Russia: Tatar Presidential Candidates' Supporters Fear Persecution

MM1202113496 Moscow IZVESTIYA in Russian 10 Feb 96 p 2

[Report by Boris Bronshteyn: "If Not for Shaymiyev, Tatarstan Would Be Left Without Any President at All"]

[FBIS Translated Text] Kazan — The deadline for registering Tatarstan presidential candidates for the elections to be held at the end of March has expired. As before the voters will be offered just one candidacy. Mintimer Shaymiyev, who led the republic for many years as oblast committee secretary, chairman of the Supreme Council, and president, this time too is running no risks in the election struggle because of the total lack of rivals.

Where is the opposition to Shaymiyev, which seemed to have a real chance of showing itself even under the conditions of a regulated democracy? The national movement immediately refused to nominate its candidate. "The present regime in Tatarstan is not one for democratic elections," Fauziya Bayramova, leader of the "Ittifak" party, has stated. "They will not be elections but a ritual appointment and everyone will know in advance who will win."

The "Equal Rights and Legality" democratic bloc intended to support the candidacy of Anatoliy Vasilyev, vice president of the fund for the protection of mothers and children. But this contender who, he said, had collected the necessary number of signatures, did not hand over the signature sheets to the republican Central Electoral Commission. He explained his conduct to your IZVESTIYA corespondent by saying that even at the signature collection stage he had encountered powerful resistance from the state machine which is working for the incumbent president. "My signature collectors were threatened with dismissal from their jobs," Vasilyev said. "Yet signatures for Shaymiyev were collected at enterprises in an organized manner."

In protest another candidate — Ramil Gabdrakhmanov — has not handed over his signature lists either. This 35-year-old vinegar plant director, who has no party affiliation, was nominated as a presidential candidate by the Communists —a real political force these days. But despite the support from a ramified party structure Gabdrakhmanov rapidly realized there was no point in fighting. "I am getting telephone calls from inhabitants of rural rayons," he told IZVESTIYA. "And they are imploring me not to show anyone the signatures they have put in my support. They have already begun to persecute my supporters there." Gabdrakhmanov believes that he himself has been subjected to illegal persecution. At the height of the election campaign he was arrested and kept behind bars for two days. This happened after the shooting on a Kazan street of his friend — Vladislav Baranov, director of the "Usadskaya" agricultural firm, on whose support Gabdrakhmanov had, not without grounds, been counting. "Police officials hinted openly to me: 'Why are you running for president? Is it not time you withdrew your candidacy?'" Gabdrakhmanov asserts, after being released only through vigorous actions by the Communist Party.

It is not out of the question that the official propaganda here will try to refute any of the arguments of Shaymiyev's prematurely withdrawn rivals but the only name on the ballot slip can hardly serve as a sign of democratic transformations.

Russia: Shaymiyev Uncontested as Tatar Presidential Candidate

MK1002100296 Moscow KOMMERSANT-DAILY in Russian 9 Feb 96 p 3

[Report by Andrey Gogolev: "Strength Is Not Always in Numbers"]

[FBIS Translated Text] Tatarstan's Central Electoral Commission has completed the reception of signatures for those aspiring to run for the republic's president. Out of the four candidates, the incumbent president Mintimer Shaymiyev alone has managed to clear the 50,000-signature hurdle. The three others, including the communist nominee, Ramil Gabdrakhmanov, have withdrawn from the race. Thus, this is going to be a single-contestant election as it was five years ago.

The Communists' dropping from the race came as a surprise for many in the republic. Naturally, nobody in

Tatarstan doubts that the incumbent will win, but it was assumed that the Communists could divert a part of the votes from Shaymiyev. This is what was said on more than one occasion by their leader Aleksandr Saliy. Ramil Gabdrakhmanov, a vinegar factory director nominated by the republic's Communist Party, even planned to share with Shaymiyev votes in urban areas. Despite the fact that some 53,000 signatures were collected in support of Gabdrakhmanov, the communist deputy was not registered. The reason is that about 18 percent of the signatures submitted contain technical errors.

According to a source close to the president, Shaymiyev constantly monitored the collection of signatures for possible rivals and was disappointed that none of them managed to collect the necessary number of votes. According to some information, he is alleged to have secretly instructed the heads of rayon administrations to help in every way in collecting signatures in support of the other contenders. Aleksandr Saliy has told KOMMERSANT-DAILY that in the March election the Communist Party does not intend to back Mintimer Shaymiyev, who guaranteed victory to the NDR [Russia Is Our Home] in the republic in the December elections. The communist leader is not particularly disheartened by the present defeat and thinks his principal task is to conduct the presidential election campaign.

Russia: Nizhniy Novgorod Mail Workers Back Yeltsin Reelection

MM1202100096 Moscow ROSSIYSKIYE VESTI in Russian 9 Feb 96 p 1

[Report by Valeriy Orlov: "We Trust Boris Yeltsin"]

[FBIS Translated Text] Nizhniy Novgorod — No, maybe now there is not a single collective which is not discussing the burning topic of the day: Who will be president of Russia, to whom can the great country be entrusted. Workers at the Federal Mail Service's Nizhniy Novgorod Administration have decided this problem for themselves unequivocally: This person must be Boris Yeltsin. At their recent meeting they came out in support of Yeltsin. Why, when it is now so fashionable to criticize the country's leadership, was this choice made?

"We are judging by specific deeds," Nikolay Guzhov, chief of the Federal Mail Service oblast administration, told me, "and Boris Nikolayevich has done a lot for us. First, it was by a presidential edict that the Russian mail service was revived. Second, this is the second year, also by presidential edict, that we have celebrated our professional birthday — Russian Mail Service Day. Third, many other of the head of state's edicts and directives are directly or indirectly helping to revive the Russian mail service's good traditions, strengthen its material base, enhance its prestige...."

Talking for the country as a whole, the Nizhniy Novgorod mail workers are convinced that only Boris Nikolayevich Yeltsin is the bastion of democracy and the guarantor of the Constitution. And many Nizhniy Novgorod inhabitants agree with that.

Russia: Khabarovsk Democrats Suggest Single Presidential Candidate

MK1002134696 Moscow NEZAVISIMAYA GAZETA in Russian 10 Feb 96 p 3

[NEGA report: "Russia"]

[FBIS Translated Text] The council of representatives of a number of parties and movements on the territory of Khabarovsk Kray have proposed that a single presidential candidate of all democratic forces in Russia be nominated. The council session passed an appeal to Russian leaders of the corresponding movements. They are asked to initiate a process of unification on the federal level and to agree to hold a unification congress of democrats where a presidential candidate will be nominated.

Russia: Dagestan Communists Back Zyuganov for President

LD1002190896 Moscow Radiostantsiya Ekho Moskvy in Russian 1605 GMT 10 Feb 96

[FBIS Translated Text] A congress of the workers, peasants, and working intelligentsia of Dagestan, organized in Makhachkala by the local Communist Party, decided today to support the candidacy of Gennadiy Zyuganov, the leader of the Communist Party of the Russian Federation, in the presidential elections. The delegates also said a memorial to Stalin should be erected on Makhachkala's main square, and that the name of Volgograd should be changed back to Stalingrad.

Russia: Yaroslavl Communists Hit Zyuganov Betrayal of Principles

MM0902165896 Moscow KOMSOMOLSKAYA PRAVDA in Russian 9-16 Feb 96 p 3

[Report by Vasiliy Uspozhanin: "Zyuganov — Bourgeoisie's Trojan Horse?"]

[FBIS Translated Text] The appearance of Russia's chief Communist at beau monde forums (Davos, Strasbourg) and numerous business receptions is clearly not to the liking of his sympathizers. They react still more jealously to their leader's theoretical vacillations. Last year Zyuganov wrote a book entitled "Russia and the

Modern World." It has been given a roasting by members of the Yaroslavl CPRF [Communist Party of the Russian Federation] Oblast Committee in a strongly worded political statement.

In his battle for the presidency, they believe, Zyuganov has begun to trade Marxism-Leninism not "retail" but "wholesale." The Yaroslavl CPRF Oblast Committee members pin many crimes on Zyuganov: the desire to exclude the working people's nonviolent [as published] forms of political struggle, supplanting Marxist teaching on the dictatorship of the proletariat with parliamentary forms of struggle, reviving Yeltsin's attempt at accord between the "wolves" and the "sheep" under the slogan of civil peace, and so on and so forth.

The signatories class his actions as even more blasphemous than Gorbachev's actions. "We realize that our anti-Zyuganov actions are already too late, but we wish to defend the honor of Communists and to assist their liberation from a rash belief in Russia's new savior."

Russia: Yegorov Ends Visit to Murmansk, Severomorsk

LD1002210796 Moscow ITAR-TASS in English 2053 GMT 10 Feb 96

[By Vasiliy Belousov and Andrey Surzhanskiy]

[FBIS Transcribed Text] MURMANSK, February 10 (ITAR-TASS) — The Russian presidential administration's chief of staff Nikolay Yegorov, who was touring the Murmansk region, met local officials on Saturday to discuss the problems facing the region.

The meeting, which was attended by the heads of city and district administrations, representatives of the local mass media and business people, focused on the social and economic situation in the region and ways to resolve the present economic crisis.

In addition to Murmansk, Yegorov also visited Severomorsk where he had a meeting with Northern fleet commander Admiral Oleg Yerofeyev and took a tour of the heavy nuclear missile cruiser Admiral Nakhimov.

In the evening, Yegorov flew to Moscow.

Russia: Border Guards Reinforce Dagestan's Border Defenses

LD1102163296 Moscow INTERFAX in English 1402 GMT 11 Feb 96

[FBIS Transcribed Text] DAGESTAN, Feb 11 (INTERFAX) — Russian border guards, Dagestani police and the Federal Security Service began an operation on February 10 to reinforce defense of the Russian southern border, primarily the border between Dagestan, an internal Russian republic, and Azerbaijan.

The 'Border' operation provides for increasing control to prevent contraband, illegal trafficking in arms and drugs in the wide border area, Chief of the Makhachkala special border regiment's staff, Col. Gennadiy Grigoryevskiy told INTERFAX.

The Makhachkala border regiment belongs to the Caucasian special border guard district.

Border guards detained 26 people trying to violate the border on February 10 alone, Grigoryevskiy said.

In particular, several persons were detained in the Derbent town where they came from Azerbaijan through hardly accessible mountainous areas with the help of guides, he said.

Russian border guards discovered cartridges, ten detonators and two explosive devices when checking a container in Derbent on February 10, Grigoryevskiy said.

Russia: North Caucasus Cossacks To Serve Army on Contract

MM1202094596 Moscow ROSSIYSKIYE VESTI in Russian 9 Feb 96 p 2

[Report by Aleksandr Ryabushev: "North Caucasus Cossacks Prepared To Serve in Army"]

[FBIS Translated Text] Stavropol — The appeal for Cossacks to guard the border with Chechnya has finally been heard. In accordance with the Russian Federation president's edict on the creation of Cossack formations, the first conferences involving the participation of rayon and city military commissars and Cossack atamans of Stavropol Kray have been held at Stavropol Kray Military Commissariat. These meetings in Stavropol were attended by Major General Yevgeniy Skobelev, deputy chief of staff of North Caucasus Military District.

Now 1,500 North Caucasus Cossacks have expressed their desire to join the district's military subunits and serve in the Armed Forces on contract. The Terek Cossacks from Pyatigorsk under the command of Ataman Yuriy Churekov are notable for their special activeness.

Russia: Engine Failure Causes MiG-23 To Crash in Perm Region

LD1202124996 Moscow Radio Rossii Network in Russian 1200 GMT 12 Feb 96

[FBIS Translated Text] We have just learned from our Perm correspondent that a MiG-23 military aircraft crashed in the Bogorodsk village area in Oktyabrskiy district in the south of the Perm Region this morning. It is known that the pilot managed to eject. At present a search is on for the remains of the aircraft. An emergency duty officer from the regional headquarters of the Ministry for Emergency Situations told our correspondent that the accident was a result of engine failure.

Economic Issues

Russia: Central Bank's Dubinin Cited on New IMF Loan Hopes

MM1202100896 Moscow ROSSIYSKAYA GAZETA in Russian 10 Feb 96 p 17

[Unattributed report: "Same Dollars, But Cheaper"]

[FBIS Translated Text] Sergey Dubinin, chairman of the Central Bank of the Russian Federation, has expressed the hope that the question of a new $9-billion loan from the IMF to Russia will be successfully resolved.

In the very near future, S. Dubinin said, the Russian Federation Government and Central Bank plan to issue a joint statement on the monetary program for 1996, the three-year monetary program, and the program for structural transformations. "We coordinated these programs," he noted, "at the talks held in January with IMF representatives. And if we issue such a statement, then we are very confident that the IMF will support them with its three-year $9-billion loan." According to the head of the Central Bank it is a question of "soft money," since "this loan will be cheaper than if we raised it in the marketplace."

Russia: Chubays on Economic Reforms, Upcoming Election

BR0902133196 Paris LA TRIBUNE DESFOSSES in French 9 Feb 96 p 4

[Interview with Anatoliy Chubays, former Russian first deputy prime minister, by Daniel Vigneron; place and date not given: "Russia: Chubays Seeks To Block Path of Communists"]

[FBIS Translated Text]

[Vigneron] Why did you leave the government?

[Chubays] When I came back off vacation I was told that the president no longer wanted me in the government. This decision was clearly dictated by the new political context and the upcoming presidential election. I did not ask to meet him, since there was no need for any explanation.

[Vigneron] How do you view the results of the recent general election at the political and economic level?

[Chubays] Everyone was impressed by the victory of the Communists. However, let me remind you that in the previous election of 1993, Zhirinovskiy's nationalists won 23 percent of the vote while the Communists won 10 percent, so this is virtually a mirror image of the 1995 results. That means that the proportion of the electorate that does not support the reforms is still roughly the same, in the region of 32 or 33 percent. There is nothing surprising about that figure. Since we had to implement this painful reform in a democratic context it was clear that time was not on our side. However, it is unfortunate that we lost precious time in 1994 when the rise in public expenditure again triggered inflation and led to the collapse of the ruble. Faced with this crisis situation we had no time to "sell" our recovery policy to the people as we had done with the welcomed privatizations of 1992.

[Vigneron] Surely, given that the state failed to pay a lot of people's wages last year, are not the results obtained for budgetary restraint and disinflation artificial?

[Chubays] Where expenditure is concerned, 94 percent of the budget was adhered to compared with 60 percent in 1994. Certain ministries, and especially those involved in the Chechen conflict, such as Defense and the Interior, exceeded their targets by 10 and 20 percent. Suddenly, then, the social sector was only able to benefit from 65 to 70 percent of the available credits. However, overall, and for the first time in history, we managed to keep state expenditure under control and we ended the year with a deficit of around 4 percent of GDP.

[Vigneron] But you toed the line of budgetary rigor to the detriment of state employees!

[Chubays] It is true that we were unable to pay certain government employees on time. The only way we could have done that would have been by starting up the printing presses again. You have to realize that in Russia adding 1 percent to the rate of inflation plunges 700,000 people below the poverty line. Here inflation makes the rich richer an the poor poorer. In January 1995, 51 million Russians lived below the poverty line, but at the end of December this figure was just 29 million. By delaying paying certain wages we hoped that people would be able to find more competitive jobs elsewhere. Finally, unemployment has risen only very slightly. So was our policy really that severe?

[Vigneron] Did mass privatization by the issuing of coupons really have any effect on company management and competitiveness?

[Chubays] Privatization is a precondition for the restructuring of the economy. In itself it does not affect how a company operates. However, it does motivate people to work, gives them a sense of responsibility, and places the companies in a position where they can later attract capital investment, change their structures, and adopt a market strategy. Without a clear legal position, however, you cannot do anything. Moreover, you can now see how the shareholders are starting to play their role. A recent survey of 400 privatized and non-privatized firms shows that it is the privatized businesses that are faring better.

[Vigneron] You came under a lot of criticism for the second phase, the so-called "real" phase of privatizations by auctions and calls for tender. How do you justify the lack of transparency, the cancellations, and the blunders?

[Chubays] Last August we had generated virtually none of the 8,700 billion rubles from privatization which had been provided for in the 1995 budget. As a result we had to hurry things along and finally, on 31 December, 7,500 billion had been paid into the state coffers. Having said that, I accept the criticism. What was done was not at all transparent and did lead to some abuse. However, people have forgotten one important fact: Russia is a massive country going through a difficult transition period. This was our first experience of real privatization involving considerable sums. We did make mistakes. We must learn from them.

[Vigneron] What sign should we look for in the coming weeks to tell us whether or not the government has decided to continue with the reforms?

[Chubays] The signing of the increased credit agreement with the IMF (amounting to $9 billion) will be the first test. These funds will not be committed without very serious guarantees for the continuation of a coherent economic and financial policy. Secondly, while the credits granted a few days ago to the miners and the students were mostly written into the budget, the announcement of additional expenditure would be a very bad sign.

[Vigneron] Would you not say that your replacement by Vladimir Kadannikov, a traditional, old-style boss, is a bad sign?

[Chubays] Well, you cannot say that he is really an old-style apparatchik. In 1992, when the government was being roundly criticized by industry, Kadannikov was brave enough to organize an important meeting of factory managers in support of the reform.

[Vigneron] You have described Vladimir Zyuganov as a "single-minded Communist" who wants to restore the old order. Does that mean that the reforms can be reversed?

[Chubays] If he were to be elected, he would try to eradicate the reforms. He would certainly implement a disastrous macroeconomic policy since he and his advisers are completely unskilled in this area and believe that "macroeconomic" is a synonym of "anti-people." What we managed to achieve in 1995 in terms of inflation and the free movement of prices will be jeopardized, and that will spark a chain reaction. What is more, I am quite certain that he will order renationalization. Clearly, in a country where 75 percent of GDP is generated by the private sector, we have gone beyond the stage where we can simply reverse the process. However, the large privatized companies may well be concerned.

[Vigneron] Do you think that Vladimir Zyuganov will be elected, and what will be the consequences of that at the political level?

[Chubays] I am very skeptical about the chances of uniting the reformists around a single candidate. Zyuganov therefore has a good chance of being elected. If he is, then he and his friends will try to take over everything. They will control the sale of computers and faxes, even if that is a completely stupid thing to do. Where the CIS is concerned, the Communists use the word "dierjava" which means something between an empire and a state. They will only compound anti-Russian sentiment. At the international level, Zyuganov's highly embarrassing responses show that he will never support the ratification of the START II treaty on strategic nuclear arms reduction. Russia will never be able to maintain its relationship with the IMF and the credit agreements with the Club of Paris will also be put in jeopardy.

[Vigneron] Is Zyuganov really that stupid?

[Chubays] I would not exaggerate his intellectual ability. What concerns me more is his circle of supporters. In particular, there is Viktor Anpilov, an extreme left-winger, a Communist and a Stalinist. Last week, his group unanimously agreed to take up position behind Zyuganov.

[Vigneron] How do you intend influencing political life in Russia from now on?

[Chubays] Without doubt I have been the most criticized politician since the reforms began. However, since I have been gone I have received so much support, even from people with little influence or people who did not agree with my policies, that I am now saying to myself: "People are suffering, but they know that we cannot build prosperity in Russia without effort and hardship." I believe I have a right to speak. I even feel obliged to speak out. It is my duty.

Russia: Yasin Says Election Uncertainty Scaring Off Investors

LD0902235896 Moscow ITAR-TASS World Service in Russian 1625 GMT 9 Feb 96

[By ITAR-TASS correspondent Nadezhda Anisimova]

[FBIS Translated Text] MOSCOW, 9 Feb (ITAR-TASS) — None of our foreign partners "are going to take decisions on investment in the Russian economy until the presidential elections are over," Economics Minister Yevgeniy Yasin told a briefing on the results of the Davos Forum today.

According to Yasin, the Communist candidate for the post of president, Gennadiy Zyuganov, "did not convince foreign investors that reform policies would continue" when he spoke in Davos.

"If Yeltsin wins again, decisions will be taken quickly. If somebody else wins, investors will wait a year or two," the economics minister stressed. He noted that it is not portfolio investments which are at stake, but "serious, direct investments in production and trade."

Russia: Economics Ministry To Index Capital Assets

LD0902203696 Moscow INTERFAX in English 1650 GMT 9 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 9 (INTERFAX) — The Russian Economics Ministry will index the capital assets of enterprises, Economics Minister Yevgeniy Yasin told a briefing in Moscow on Friday.

According to him, enterprises will be allowed, if need be, to index their capital and possibly their circulating assets every three months. This step became possible after the reduction in inflation growth rates, said Yasin.

So far the annual indexing of capital assets did not reflect their real cost, when "the share of depreciation was underestimated considerably," he said.

According to Yasin, the right to index their funds independently will make the enterprises add a larger portion of expenses to the prime cost of the products and receive not overstated, but real profit, which would entail a lesser tax.

The possibility of indexing circulating assets is also being discussed, but this measure would inevitably reduce revenues to the federal budget.

Russia: Oleg Vyugin To Serve as Duputy Finance Minister

MK1002072896 Moscow SEGODNYA in Russian 9 Feb 96 p 1

[Unattributed report: "Oleg Vyugin Has Been Appointed Deputy Finance Minister"]

[FBIS Translated Text] Oleg Vyugin, chief of the Finance Ministry's Macroeconomic Policy Department, has been appointed deputy finance minister. Apparently he will be placed in charge of macroeconomic policy matters and the development of the state securities market. Furthermore, Vyugin, together with First Deputy Finance Minister Andrey Vavilov, will conduct negotiations with international financial institutions.

Russia: Energy Minister Views Nonpayments Problem, 'Middlemen'

LD0902225796 Moscow ITAR-TASS World Service in Russian 1515 GMT 9 Feb 96

[By ITAR-TASS correspondent Valeriy Rudenko]

[FBIS Translated Text] Tula, 9 Feb (ITAR-TASS)—Yuriy Shafranik, Russian fuel and energy industry minister, regards a reduction of the chain of middlemen in the wholesale fuel business and active work with consumers as an important method of resolving the problem of non-payments.

He said as much in Tula today during an itinerant expanded sitting of the collegium of the Fuel and Energy Ministry which examined the financial and economic activities of coal extraction enterprises in the Moscow coal basin and a draft federal program for the area's social and economic development. The minister referred to the example set by the oil industry, where "ready" money, directed toward developing the oil recovery, appeared with transport, refineries, and the gasoline station network having been taken over by the extraction enterprises.

Speaking of the situation in Russia's gas industry, Yuriy Shafranik stressed the disastrous situation of the three largest fields in the Yamal peninsula, containing 22 percent of the world's gas deposits. He said that Yamal's gas industry workers received just over 20 percent of gas revenue, with the remainder retained by the numerous middlemen and intermediaries. The Unified Energy System of Russia joint-stock company must also switch to a direct transfer of money from buyers to the main producer, stressed the minister.

Yuriy Shafranik noted the big role of the regional authorities in resolving the problem of non-payments and called on the leaders of central Russian regions taking part in the collegium sitting to conclude an agreement on interaction in this work. The Fuel and Energy Ministry collegium has drawn up specific measures to improve the financial and economic situation in the Moscow coal basin and endorsed the draft federal program for the development of Tula Region's coal-mining areas.

Yuriy Shafranik and Tula regional governor Nikolay Sevryugin also signed an agreement today between the Fuel and Energy Ministry and the Tula Region administration on the demarcation of powers, giving the region new, additional opportunities of developing its fuel and energy industry.

Russia: New Central Bank Safeguards Against Pyramid Scams

MM1202150496 Moscow IZVESTIYA in Russian 9 Feb 96 p 1

[Report by Yaroslav Shimov: "Central Bank Takes Steps Against Financial 'Pyramids'"]

[FBIS Translated Text] On Thursday [8 February] the Central Bank of the Russian Federation announced the introduction of new rules which, according to Olga Prokofyeva, head of the Central Bank's Banking Oversight Department, will enable investors to feel more confident. The innovations include the introduction of a special concept of "maximum risk per borrower," the amount of which is strictly limited. What is more, the amount of deposits in relation to the bank's own capital must not exceed a certain figure either. The Central Bank believes that this may act as another obstacle in the way of "pyramid" builders, although the introduction of this norm will have a negative effect on banks' development. The Central Bank also intends to propose that fines be imposed not on offending banks as a whole — since they would pay with investors' money — but on the bank managers guilty of a breach of particular regulations, your IZVESTIYA correspondent Yaroslav Shimov reports.

Russia: Foreign Financial Markets Offered State Bonds

LD0902221496 Moscow ECONOMIC NEWS AGENCY in Russian 1500 GMT 9 Feb 96

[FBIS Summary] It has really become possible for foreign companies to carry out operations on Russian securities market. The Eurobank has become the first authorized non-resident bank on Russia's securities market. Its authorized bank, Eurofinance, obtained on 7 February bonds for the sum of 120 billion rubles at an auction of short-term state bonds of the Russian Federation.

The Central Bank of the Russian Federation has completed work on all the necessary normative documents regulating the access of non-residents to the market of short-state bonds. As of 7 February, a new financial instrument — Russian state securities — is in practice being offered to foreign financial markets.

Russia: Results of Loans-for-Shares Auctions To Stand

MK1002073596 Moscow SEGODNYA in Russian 9 Feb 96 p 1

[Unattributed report: "Government Does Not Intend To Revise Results of Loans-for-Shares Auctions"]

[FBIS Translated Text] The Russian Federation Government does not intend to revise the results of loans-for-shares auctions involving stakes in privatized enterprises, conducted at the close of 1995. According to a highly placed representative of the State Property Committee, structures that have received shares as collateral can only lose the right to their trustee administration if the government retires the credits received in exchange for these shares.

Russia: Decree Signed on Offsetting Tax Debts to Budget

MM1202094796 Moscow ROSSIYSKIYE VESTI in Russian 9 Feb 96 p 2

[Unattributed report under "Monitoring Government Decisions" rubric: "Payments. Exceptions Also Require Rules"]

[FBIS Translated Text] Viktor Chernomyrdin has signed a decree "On Offsetting Tax Debts and Other Payments Owed to the Federal Budget When Funding Expenditure From the Federal Budget." In accordance with this document, in the first quarter of this year the Russian Federation Finance Ministry and State Tax Service are allowed to extinguish sums owed by the federal budget to certain enterprises and organizations within the limits of the sums owed by them to the federal budget for taxes and payments as of 1 January 1996.

Russia: Edict on Conversion, Repayment of Hard-Currency Debt

MM1202095496 Moscow ROSSIYSKAYA GAZETA in Russian 10 Feb 96 p 15

[Russian Federation Presidential Edict No. 126, signed by President Yeltsin and dated 31 January 1996: "On Certain Measures To Streamline Work With the Russian Federation's Foreign and Domestic Hard-Currency Debt"]

[FBIS Translated Text] With a view to streamlining work with the Russian Federation's domestic debt, including the commitments adopted by the Russian Federation in respect of the USSR's domestic hard-currency debt, as well as the additional accumulation of funds to service the Russian Federation's domestic and foreign debt, I decree that:

1. It shall be laid down that the Russian Federation's domestic foreign-currency debt to enterprises, organizations, and institutions, irrespective of their form of ownership, including the USSR's domestic hard-currency debt, shall be converted into state bonds in accordance with Russian Federation Presidential Edict No. 1565 "On Measures To Streamline the Former USSR's Domestic Hard-Currency Debt" of 7 December 1992 and with this edict.

2. The Russian Federation Government shall adopt within one month a decision on the issuance of state bonds:

— to repay domestic debt in foreign currency, which was not taken into account when determining the initial size of the state foreign-currency loan bond issue carried out in line with Russian Federation Presidential Edict No. 1565 "On Measures To Streamline the Former USSR's Domestic Hard-Currency Debt" of 7 December 1992;

— to convert the former USSR's hard-currency debt to Russian Federation enterprises, organizations, and institutions holding funds in clearing, closed [zamknutyy], and special currencies under international agreements and payment agreements which have expired;

— to repay the Russian Federation's hard-currency commercial debts as of 1996.

The bond issue will be carried out following a procedure and on terms ensuring a unified system of accounting for state securities denominated in foreign currency.

3. This edict comes into force from the date it is signed.

[Signed] Russian Federation President B. Yeltsin

Moscow, the Kremlin
31 January 1996
No. 126

Russia: Defense Industry Official on Increasing Civilian Exports

LD1202123096 Moscow Radio Rossii Network in Russian 1100 GMT 12 Feb 96

[FBIS Translated Text] An exhibition of products for civilian use intended for export has opened in Moscow as part of the state program for conversion of the defense industry. The permanent exhibition is at the Russian scientific research institute for inter-industry information. Gennadiy Yampolskiy, deputy chairman of the State Committee for the Defense Industries, said that wise conversion can get our economy out of crisis.

[Begin Yampolskiy recording] On display here are products from more than 300 enterprises under the State Committee for Defense Industries, from virtually every region of our country. Last year alone 500 enterprises supplied civilian products to 84 countries. We have now reached a volume of $631 million in 1995. We have come through the slump in the civilian market in 1991-92, when the Council for Mutual Economic Assistance collapsed and the biggest market for civilian aviation products effectively stopped buying.

The year-on-year growth we have achieved is a great feat for our enterprises. We have a forecast of 730 million [currency not specified] for 1996 and 1.2 billion by 2000. We have set up a program which we are striving to follow. We have selected more than 200 of the most interesting projects, now being implemented, from 5,000 investment proposals. The figure of 1.2 billion is more civilian output than was produced in the Soviet Union for export.

So what is this made up of? Mostly engineering goods — 25 percent of Russia's total engineering goods export at the moment. These enterprises therefore have a considerably important role in the export of scientific and technological products. Every dollar brings in ten or even twenty times more profit than the sale of one tonne of oil. [end recording]

Russia: State Coal-Producing Company Corporatized

MK1002133696 Moscow SEGODNYA in Russian 10 Feb 96 p 1

[Unattributed report: "The 'Rosugol' State Company Has Been Reorganized as a Joint-Stock Company"]

[FBIS Translated Text] Russian President Boris Yeltsin has signed an edict on reorganizing the "Rosugol" state company as the "Russian Coal Company" joint-stock company. The document envisions in particular the transfer into state ownership of 100 percent of the joint-stock company's stock for three years. After that decisions on stake ownership will be made by the country's leadership as the coal industry restructuring program is implemented. Yuriy Malyshev, the general director of "Rosugol," was appointed the joint-stock company's president.

International Affairs

Ukraine: Kuchma on Dissolution of USSR, NATO Expansion

LD0902122296 Moscow INTERFAX in English 1100 GMT 9 Feb 96

[FBIS Transcribed Text] HELSINKI, Feb 9 (Interfax - Ukraine) — Ukrainian President Leonid Kuchma described the proposed denouncing of the Soviet Union's dissolution as a non-starter.

Kuchma, staying in Helsinki, Finland on an official visit, responded to Russian Communist leader Gennadiy Zyuganov's statement about the possibility of restoring the USSR by saying that history cannot be made to go in reverse. "All of us know very well how many empires existed and that all of them ended in the same way," Kuchma said.

The process of NATO enlargement should take time, he insisted. "In this case some people will not take it so painfully," Kuchma believed.

Kuchma supported the idea of a Baltic-Black Sea economic cooperation zone which was discussed in the course of his Helsinki visit.

Ukraine: 'Source' Comments on Christopher-Kuchma Meeting

LD1002013896 Moscow INTERFAX in English 2254 GMT 9 Feb 96

[FBIS Transcribed Text] Finland, February 9 (Interfax - Ukraine) — USA will support Ukraine in her negotiations with the International Monetary Fund. As Interfax - Ukraine has learnt from a well-informed source, understanding to this effect has been reached during the meeting in Helsinki today between Ukrainian President Leonid Kuchma and US Secretary of State Warren Christopher.

Interfax - Ukraine has quoted Ukraine's Foreign Minister Hennadiy Udovenko as saying that the meeting has covered, among other things, further bilateral contacts between the two Presidents.

Thus, the Ukrainian delegation including Vice-Premier in charge of Economics Roman Shpekh, Minister of Foreign Trade Serhiy Osyka and State Property Fund Chairman Yuriy Yekhanurov, will go to USA next week for preparations for the Ukrainian presidential visit to Washington.

During Kuchma's visit, which has been scheduled for February 22-24, "we would like to inform about the pace of economic and democratic reforms in Ukraine," the Minster said, explaining that "speculation is currently spreading about Ukraine's alleged failure to meet her commitments".

US Secretary of State Warren Christopher is to visit Ukraine already next March, H. Udovenko disclosed.

Asked about US participation in the efforts to resolve the Chernobyl problem, the Ukrainian Foreign Ministers said: "We are planning to request that G-7 leaders should think over before their meeting scheduled to be held in Moscow next April the issue of financial assistance to Ukraine".

Ukraine: Ukrainian, Russian MP's Set Up CIS Integration Association

LD0902233996 Kiev UNIAN in Ukrainian 1810 GMT 9 Feb 96

[FBIS Translated Text] Simferopol — A sitting of the permanently functioning roundtable of CIS parliament members took place today in the "Miskhor" sanatorium in Yalta [Crimea]. It was attended by Georgiy Tikhonov, chairman of the Russian Federation State Duma Committee for CIS Affairs and Ties with Compatriots; Ivan Symonenko, people's deputy of Ukraine and leader of the "Union" deputy association; and deputies to the Supreme Council of Crimea. The participants in the sitting took a decision to set up an association of CIS integration forces and an organizational committee of that organization.

Tomorrow, Georgiy Tikhonov is expected to hold a press conference in Simferopol.

Ukraine: Russian MP's Visit, Meet BSF Command

LD1102214196 Kiev Radio Ukraine World Service in Ukrainian 2000 GMT 11 Feb 96

[FBIS Translated Text] A group of deputies to the Russian State Duma met the Black Sea Fleet [BSF] commanders, sailors, and Sevastopol residents at the Sevastopol House of Officers on 10 February. Georgiy Tikhonov, the chairman of the State Duma Committee for CIS Affairs and Ties with Compatriots, like the majority of the guests from Moscow who attended the meeting, are representatives of the Communist left wing in Russian parliament.

Tikhonov said if communists won the presidential election, they will do everything necessary to restore the Soviet Union, the power of Soviets, and socialist economy.

As regards burning issues of the BSF, Tikhonov said a draft law on the status of the BSF will be considered already next week.

Speeches by Tikhonov and other Russian deputies contained attacks and threats against the leadership of Russia and Ukraine.

Captain Valeriy Volodin, the head of the Coordinating Council of the BSF Officers' Union, read out an appeal to the Russian State Duma, containing a demand to stop the reduction of the BSF.

Vice Admiral Gennadiy Suchkov, BSF acting commander, spoke at the meeting. In his opinion, the fact that the fleet is being divided places Russians in a humiliating position.

The BSF command is planning to send, in the very near future, a delegation to Moscow to inform Russia's legislative and executive bodies about the stand of the BSF Military Council.

National Affairs

Ukraine: Prime Minister's News Conference

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[Report by correspondent Oleksiy Havrysh on a news conference by Ukrainian Prime Minister Yevhen Marchuk in Kiev on 8 February; remarks by Marchuk are recorded]

[FBIS Translated Excerpt] [Havrysh] In his opening speech, Prime Minister Yevhen Marchuk touched, first and foremost, on two fundamental issues which the government is tackling at present: the 1996 budget and the program for socioeconomic development in 1996. He said, in particular, that the Cabinet of Ministers and the Supreme Council held a joint sitting in this connection. At the session they discussed disputable issues and cleared up both sides' stands, prior to submitting the budget and the program for the consideration by people's deputies of Ukraine.

Marchuk said this issue is extremely important. This is the issue of principle, the issue of conceptual nature, which in many ways determines economic and, therefore, social developments in the country. There are different proposals and points of view as regards the structure of the budget, etc. However, there exists one special difference in the opinions of the government and many people's deputies, as far as these issues are concerned, the prime minister said.

[Marchuk] There exists one controversial issue of principle: What is to be considered first, the socioeconomic development program or the budget? The government insists that the budget should be considered first and then the socioeconomic development program. A whole number of factions, groupings and people's deputies abide by a different stand: The program should be considered first.

I will not go into detail or advance any arguments. I would just like to say that the program can only be drawn up on the basis of the funds envisaged in the budget, not the other way around. Correct and competent tasks and priorities can be outlined in the program, but if they are not backed by appropriate funds, they will just be impossible to implement.

[Havrysh] This is the government's stand. As regards the Supreme Council's opinion on the issue, we shall learn more about it on 14 February, when the above issues are to be discussed in parliament. Though, in general, it should be noted that the budget itself should be approved in February; incidentally, with the lowest possible level of deficit, inasmuch as the granting of IMF credits to Ukraine on advantageous terms will depend on this. The more so that at present, government officials seem to begin to come to understanding on the issue with the International Monetary Fund.

Marchuk briefed journalists on his conversation with the leader of the IMF mission, currently in Ukraine.

[Marchuk] I had talks with Mr. Noble, the leader of the [IMF] mission and with members of his delegation. They are now working rather actively with our Ministry of Finance, the Ministry of Economy and the State Property Fund. I would not say that there is any confrontation as regards these issues, I have in mind the economic cooperation program. Opinions on certain issues differ. However, today's conversation also showed that the mission representatives understand our problems when we explain to them the motives and reasons behind our vision of, or our approaches to certain issues, in all their integrity and interrelation.

I can provide just one example. Undoubtedly, the issue of balancing budget expenditure and revenue, no matter which country's budget we have in mind, is a cornerstone of any budget. Undoubtedly, the issue of the social protection of the population and payments to the social sphere, as a whole, is the most painful issue for any state. Undoubtedly, the expenditure should be targeted at objectives that have been thoroughly thought out, as they say. And, when they recommend us, for example, or say in conversation, that the expenditure for the social sphere is not coordinated with the revenue, we explain to them that no one can feel it better than we do where the limit to social patience of the population is. Not a single foreigner, not even a man of genius, can feel where that limit to social patience is, as we do.

Therefore, when we explain to them that the components of the social tension can reach the limits of social patience and subsequently result in a disruption [of ties] between the government structures — the executive power structures as a whole — and if there is no social support or it is restricted, this may endanger the whole course of reforms, when we explain all this to them, they show understanding and we begin looking for the optimum ways out.

In other words, I would say that the talks proceed in a normal manner, despite difficulties. The problem itself is difficult. And it gives rise to different opinions. However, I think we shall come to understanding on the issue.

In conversation with Mr. Noble we agreed that the most important problem at present is to adopt the budget by 6 April, when the IMF Board of Directors will hold its sitting to decide on granting the fourth tranche. And this will now depend on the Supreme Council, to a great extent, and we have already told this to the Supreme Council leadership yesterday. The point at issue is not just the fourth tranche but further cooperation with international financial institutions and the granting of credits to Ukraine on advantageous terms, I emphasize this, on advantageous terms, expressed in quite solid sums, which we especially require now.

Therefore, the most serious issue is whether or not the budget will be adopted, let us say, in February-March. All the rest is being resolved through discussions.

[Havrysh] Another big problem, which the Ukrainian Government is now working on, is the structural reconstruction of the economy, above all, reconstruction of basic industries — the coal industry, and the power industry as a whole. Yevhen Marchuk explained the significance of this work.

[Marchuk] [passage omitted] One of the reasons, the main reason, for the current coal strike is that the coal industry's structure, organization, and economic management remained the same as it did in the former Soviet Union. It was not the industry of an independent state, and not an industry working in a market economy, but part of the Soviet Union's coal industry. [passage omitted]

You probably remember that not only the coal industry minister had to be replaced, but so did a number of deputy ministers and some coal association managers. And it is only now that preparatory work has been completed and we have embarked on reform of the coal sector. This has resulted in the adoption of two presidential decrees, which were thoroughly prepared by the government over a long period of time, with contributions from coal association managers, mine managers, local government managers in coal regions, and scientists. The president signed one of the decrees yesterday [7 February] on the structural reconstruction of the coal sector, that is, on moving it onto the rails of a market economy.

But the results of this will not be felt tomorrow or the day after. These are processes, which proceed under their own momentum.

[Havrysh] Touching on the miners strike, the Ukrainian prime minister said that at the same time as resolving global issues of structural reconstruction of the coal sector, the government is also engaged in issues in the coal sector that were inherited, so to speak.

[Marchuk] At issue are wage arrears to miners. And I would like you to imagine quite precisely and clearly one thing — the central budget, the state budget, does not owe the miners anything. That is, we are not in debt to the miners. By we, I mean the state budget. True, there is a debt to budgetary establishments' housing and utilities units linked to the coal industry. But this is not a large sum.

That is, I want to emphasize that the resolution of the problem of miners' wages is an issue that we are tackling now, and which is being resolved according to complex plans so as not to allow emissionary influxes to resolve the problem. And on the other hand, the resolution of the problem is not to pay wages from the budget, because, you know, the budget does not include any article on wages to any one sector. Such plans are not simple; they are difficult, but they do exist, and are varied. There is no one single plan. They are linked to involving commercial banks, the receipt of credits, and some tax concessions. But all of this is linked to the mechanism of returnable funds.

If you are interested in figures, I can say that by yesterday by these means 6 trillion karbovantsi had been found and dispatched to resolve wage problems, and according to a schedule that has been worked out involving various mechanisms up to 15 trillion karbovantsi will be found to aid the coal industry to resolve the first part of the wage problem.

[Havrysh] [passage omitted] What will the Ukrainian Government do if the strike continues? What will happen to thermal power stations? This is what the prime minister thinks about this:

[Marchuk] True, if you take a 10 day period, the dispatch of coal to thermal power stations has gone down by about 20,000 tonnes. The miners strike is now turning into political and confrontational actions, because 38 mines are now working. Eighty are working, but not dispatching coal. Over several days at eight mines force was virtually used, pickets and strike organizers used pressure to force strikes at several mines. This is something else, this is not freedom, because where there is a right to strike, there is also the right not to strike. And when one is forced to strike, this is something else, and should be described differently.

If the strike continues, and the problem of energy becomes truly acute, then everyone should know who are the heroes. What is at issue? The point is that what is possible in the economy through the mechanisms I mentioned, involving heads of administrations, people's deputies, miners and so on, it is well-known, we do not have any kind of secret plan. On the other hand, there are no alternative brilliant plans, which could somehow solve all the coal industry's problems at one stroke. There are plans, which I would say have been formalized in two presidential decrees on reforming the industry and in a Cabinet of Ministers resolution.

And that is why we will not give in to any kind of demands or pressure for the adoption of any other resolutions, any kind of pressure, whatever it is, any kind of threats, and whatever happens. agree. Not because we are capricious, but because the reality of economics is such that it is possible to adopt only decisions, which have been well-thought-out and calculated, and which include forecasts for at least six months ahead. And economic decisions are not going to be adopted on the streets, and will not be adopted in the way some people would like to see.

[Havrysh] The agro-industrial complex is something else, which the Ukrainian Government has started dealing with and wants to bring out of its crisis. The government's position on the need to reform agriculture is unambiguous. But not through subsidies, and not by printing more money, which especially tenacious defenders of rural areas are insisting on. So, Yevhen Marchuk's position is this:

[Marchuk] I would also like you to know my own personal position on two problems, the coal industry and the agro-industrial complex. Those who work out plans to save the homeland through the coal industry and the agro-industrial complex are proposing, I would say, fairly simple plans - one should grant subsidies of 305 trillion karbovantsi to the coal industry, and another 300 trillion karbovantsi to the agro-industrial complex. That is, subsidies worth 600 trillion karbovantsi not from the economy, but by printing money. Even if this is done within a year, this means disaster for the whole economy.

I think there is no point in me wasting time now on producing arguments, but I can say quite clearly that this kind of mathematics does not require many calculations — to throw approximately 600 trillion of money from emission into the economy, when our budget deficit is set at 427 trillion and the National Bank emission is only 107 trillion, and all the rest is to be covered by external sources of aid and funds from government securities. That is, two elements are not money through emission, only one is — the National Bank's planned emission. And if you add another 600 trillion to this, this means the complete crash of the whole economy because of hyperinflation, steep price rises, and most of all because of a rapid fall in people's real living standards, that is, devaluation of wages and monetary income. [passage omitted]

[Havrysh] And there were another two questions. They both concerned the prospects for resolving urgent problems. One of them was about the Black Sea Fleet — will it be divided in the next two months, that is, by the time of the visit to Ukraine by Russian President Boris Yeltsin?

[Marchuk] The main issue hanging over the fleet is the problem of Sevastopol. It has not been worked out in detail so far, although, as I have said several times, there has been some progress and compromise. But fundamentally this problem still exists.

With regard to the prospect for resolving the problems within two months, anyone who understands the technical side of this problem understands very well that from the technical aspect after a decision has been made the process will continue for some time still. This is linked to the assessment of facilities, various technology for the transfer of facilities, documentation, ownership rights, and so on.

So, the issue is not whether we can draw a line under all the problems after two months. Problems will remain for a long time after that, and one should not have any illusions about this, but the problems will not be fundamental ones.

I think that if the Russian side wishes it, and if well-prepared talks, as planned for February and March, take place, the problem of the fleet can be resolved, but only if it is taken into account that there is a boundary in the resolution of this problem, over which Ukraine cannot step. The Russian side knows about this boundary very well — the point is that there can be a Russian fleet base in Sevastopol with an appropriate system for its stay there with a set time period and lease rules. There is progress from this aspect, but the main thing is that the issue of Sevastopol has not been completed yet.

But there is another detail, which I could dwell on. The Black Sea Fleet may be used both for the benefit of Ukrainian-Russian relations and to their detriment. For example, if both sides wanted it, I could turn this problem into a demonstration of a new stage in mutual understanding between both sides and speedy progress in resolving this problem and the hope that this problem will be speedily resolved. And there are good grounds for this.

The problem could be turned the other way, too, saying that it blocks all other aspects of Ukrainian-Russian relations, mainly those of a political nature. And so, I emphasize that much depends from the political vector determined by both sides. Our aim is to resolve this problem as soon as possible, although the resolution of the problem creates a whole series of socioeconomic issues for us.

[Havrysh] And finally, the Chernobyl problem. At issue is closure of the Chernobyl nuclear power station. Ukraine's position has often been made public in the mass media. Yevhen Marchuk stressed that the Ukrainian Government has not changed its stance and is ready to close the station by the year 2000. If this does not happen, Ukraine will not be to blame, the prime minister stressed.

[Marchuk] As far as Chernobyl is concerned, our position remains unchanged, and the president reiterated it recently. I am not going to repeat it here. The only thing I would like to say is that when I was in Davos recently, I said to a representative of France that many in the West do not understand from their personal impressions the whole complexity of the Chernobyl problem for Ukraine. Many see it mainly as the Chernobyl nuclear power station. Very few people notice that over the course of 10 years Ukraine has been including a 12 percent tax in the budget for Chernobyl problems. You cannot find a single state in Europe — I am not including Yugoslavia — which would levy a 12 percent tax to resolve a problem involving purely expenditure. And if you were to add up these amounts over 10 years, I think it would surprise many in Europe.

And very few people can imagine that after the closure of the Chernobyl nuclear power station, after it is taken out of operation, Ukraine will still be left with the Chernobyl problem. None of our economists or nuclear scientists can tell me for how many years we will have to continue with this tax and the expenditure on dealing with the after-effects of the Chernobyl disaster. None of this tax is income, it is all expenditure. [passage omitted]

Our approach is unchanged. The president has stated the political decision that Ukraine is ready to take the Chernobyl nuclear power station out of operation by the year 2000. But it will not be able to do this on its own. And if the resolution of this problem is delayed on the part of the G-7, then elementary physical issues arise from this — what to do with the Chernobyl generating sets. They will either have to be prepared for closure or prepared for repair. That is, depending on the G-7 decision on consolidating resources and finances, on granting us aid rather than credits, a corresponding decision will have to be made — whether to prepare for closure or for repair and further operation. So, it is not our decision. We have set out our decision and conditions. The decision is the G-7's. [passage omitted]

Ukraine: Marchuk on Miners Strike, Reform

WS0902121996 Kiev ZERKALO NEDELI in Russian 3-9 Feb 96 pp 1-2

[Interview with Ukrainian Prime Minister Yevhen Marchuk, by Yuliya Mostovaya; in Kiev on 1 February: "Industry Branch Subsidies Discredited Themselves Finally and Irrevocably"]

[FBIS Translated Text] In the morning of 1 February, before the Ukrainian delegation's departure to Davos, we asked Ukrainian Prime Minister Yevhen Marchuk to comment on the government's stance on the ways to resolve the coal mining sector's problems.

[Mostovaya] Donetsk strike committee leader Krylov has stated that money transferred to pay overdue wages to miners will not be able to stop the strike. He added: "We need subsidies for the mines." Is it possible to meet this demand?

[Marchuk] It is impossible to meet this demand, and it will never be met in the form suggested by Mr. Krylov. First, the introduction of any subsidy should be authorized by law. It should be stipulated by the budget, given that subsidies are paid from the budget. The experience of our national economy has demonstrated that subsidizing economic sectors from the budget are a deadly practice. All subsidies provided for the coal mining industry and agriculture, as a rule, produced no results other than huge financial losses with a miserable effect. Subsidies, assistance, and support should only be provided for specific producers who have specific business plans, specific teams of performers, and a specific management. They should mandatorily be repaid, too. The state does not have empty money to throw it into a black hole with no hope for reclaiming it. This vestige of the old economic system undoubtedly does not have prospects. If we subsidize one industry in this way we will expose all the other industries, including coal mining. The only difference will be that in this case coal mining would feel the negative impact of this step after a certain time.

In addition, I would like to point out that all attempts to exert political pressure, even more so pressure which has traits of political blackmail, are doomed for failure. They will not influence my decisions, because I know only too well what ruinous consequences would be produced by concessions on our part, both for our economy in general and for every individual in particular. All attempts to put me to "pressure resistance" or "frost resistance" tests are a mere waste of time.

[Mostovaya] As a rule, specific politicians stand behind large-scale strikes, those who skillfully exploit strikers' demands, which are often justified. I have happened to hear that at least two people may have interest in this strike: [former Acting Prime minister] Yukhym Zvyahilskyy (who would like to demonstrate his still tangible influence) or [Donetsk Oblast Administration Head] Volodymyr Shcherban (who would like to show who is the boss in the oblast). Who else may stand behind the strike?

[Marchuk] Such large-scale phenomena as general strikes are undoubtedly orchestrated. They are not spontaneous. Indeed, people have objective reasons for dissatisfaction: Nonpayment of wages have sentenced people for long-term, bitter, material hardships. At the same time, people do not hear explanations (and it is really hard to reach everyone) about the actual causes of the current situation. Hardships did not appear because the government has some kind of cellar filled with money and does not want to give this money to the miners. The reason lies in the coal mining sector itself, in its history, as well as in the fact that for a long time nobody made a decision, the necessity of which was evident. The decision to reform the coal mining industry should have been made; it should have been swallowed like a bitter pill, or weathered like painful surgery. This was not done on time and the disease complicated. Therefore, the coal miners have objective reasons for dissatisfaction, which is a result of irresoluteness.

I cannot say whether the aforementioned people stand behind the strike. Undoubtedly, the strike was orchestrated namely by those people who add a political coloring to it. Frankly speaking, I do not see anything surprising in this. The only thing I would like to remind you of in this regard is the phrase from Ecclesiastes [as published]: "Nothing is secret that shall not be made manifest." [Luke 8:17] Everything will become known in detail as time goes by: the actual organizers and the real reasons. The main thing is that the cynicism of the plan will become known, too. Ordinary peoples' lives are not taken into account when actions are based on someone's ideological or political postulates. Some say that cynicism is a usual thing in politics, but I cannot put up with this, particularly when domestic policy is concerned, when people are concerned, whose lives are really hard. One does not have to be an outstanding economist to realize that if an industry ceases operation, people's lives will not become easier. Hence, forms of protest such as strikes inevitably affect ordinary people who are drawn into them. Everything will become clear afterwards, although in essence, many things already have become known. Of course, the organizers will not suffer much. Unfortunately, judging by the experience of past strikes they never did.

[Mostovaya] Yevhen Kyrylovych, do you not feel inner discomfort caused by the fact that despite the stormy and serious developments in our country, you did not cancel your visit to Davos?

[Marchuk] I would say that I have a feeling that this trip is untimely. Yet, on the other hand, I am absolutely sure that perhaps namely in Davos we will be able to resolve the problem of the coal mining industry and, hence, eliminate those reasons that caused the current strike. The point is that economic cooperation with foreign states and assistance on the part of such powerful institutions as the European Bank for Reconstruction and Development, which is ready to participate in the implementation of specific projects; all this can produce tangible results in the current situation.

In addition, I do not have any intention to adjust my actions to any kind of political tension which is absolutely evidently engineered by someone. Neither will I introduce changes into plans which I did not draft, particularly because in Davos decisions will be made to support many promising Ukrainian economic initiatives.

At the same time, undoubtedly the strikes may be discussed in the course of bilateral meetings, because they are a well-known fact. I would even say that also from this perspective the strikes harm the state, because professionals and specialists gathered in Davos realize what the reasons for the strike are. They know the problems of coal mining industries in countries with postcommunist economies. They know that there have been no investments in the coal mining industry for over 20 years. From the viewpoint of one state [USSR], it was probably correct to invest in the Kuznetsk coal basin alone, but Ukraine inherited only the backward Donbass. At the same time, even being aware of the genuine causes of the coal mining crisis, specialists gathered in Davos may feel somewhat alert toward Ukraine, because every strike is a factor of serious instability. Therefore, I can hardly imagine a serious investor who would be currently sitting in his company's headquarters making plans to invest in Ukraine's coal mining industry. A private investor can only make such plans in a nightmare.

[Mostovaya] What arguments will you present to your counterparts in Davos to make them change their minds on the prospects of investing in Ukraine despite the current situation?

[Marchuk] It will be very hard to find such arguments because virtually any investor plans a relatively quick return of investments or at least of their significant part. Meanwhile, the coal mining industry is quite complex and energy consuming even in normal conditions. It is not a candy factory which begins to yield profits three months after investment. Therefore, I can say for sure that this strike will stop all foreign investments, and not only Western ones. People do not invest money if there is no stability.

[Mostovaya] How are you going to present to your interlocutors in Davos the Ukrainian Cabinet of Ministers' standpoint? What is your attitude toward the strike?

[Marchuk] Our standpoint is unambiguous. Regardless of the kind of strikes, they will not force anyone,particularly me, to make any hasty feverish decisions. We should help people, but this should be done by means of special mechanisms. We are looking for such mechanisms, and we have even achieved certain results. Nevertheless, a proposal was voiced at the Supreme Council today to all but express lack of confidence in Deputy Prime Minister Vasyl Yevtukhov. Probably certain people do not understand that the post of deputy prime minister does not bring any profits to People's Deputy Yevtukhov, other than headache and great personal problems. Vasyl Yevtukhov would feel much more comfortably if he could sit quietly in the session hall and demand the dismissal of some John Smith holding his current post. Thus, the vote of no confidence in Yevtukhov would be the most simple and shallow of decisions. We need reform, and if this word scares certain individuals, we can put it differently: We must optimize the coal mining industry, grant more independence to mines which should have the status of economic entities, create conditions and mechanisms which would ensure high profits within short periods of time. However, we will not be able to do this as long as the social sphere remains attached to the production sector and unless we do not destroy the current mechanism. We need courageous strong decisions for this, as well as a well-considered social policy which will precisely envision the mechanism of social protection of the people dismissed from mines or other coal industry enterprises. This is the kind of situation when instead of distributing fish, we should start distributing fishing rods.

[Mostovaya] You have said that the coal mining industry needs 300 trillion karbovantsi [K] in subsidies. However, the employees of the agro-industrial complex demand subsidies, too. How much do they want? In general, will the government refuse to provide subsidies only to the coal mining industry? Will reform be conducted only in this sector?

[Marchuk] The agrarians demand another K300 trillion, which makes K600 for just two sectors. Those are very important industries, but they demand that money be allocated to the sectors as a whole, and not to individual enterprises. Please, note that nobody wants to answer the question on who will be personally and directly responsible for the efficient use and repayment of these subsidies. When we were looking for various financial sources to pay wages to the miners, we found out that there had been grave violations of an arbitrary nature within the coal mining sector. For instance, there had been cases when the entire sum of money had been allocated to one instead of 10 mines, given that the leader of a coal mining amalgamation patronized that specific mine. There had been other cases, too. Shortly speaking, subsidies have been discredited finally, irreversibly, and for good!

We are initiating structural reform of the economy as a whole and of its individual sectors. We are going to do what the previous governments did not have guts to initiate. We have replaced the minister of the coal mining industry and other officials, we have listened to many unpleasant things from miners, strike committees, trade unions, the handicapped, and mine managers. However, we must live through all of this, because surgical treatment is necessary and we are getting down to it [previous word published in boldface]. The same applies to the machine-building industry. And finally, we are opening the road for reform in the village. Many agricultural entities were established in 1995, which work on absolutely new principles. I am sure that those enterprises will be in the forefront of the process of changing the approach to the agro-industrial sector. We already see positive changes.

The fifth year of Ukraine's independence will be crucial for our history, and there are tangible political and economic grounds to believe that this will be a change for the better.

Ukraine: 'Practically Illegal' Body in Defense Ministry Created

WS1202114896 Kiev KIYEVSKIYE VEDOMOSTI in Russian 6 Feb 96 pp 1, 3

[Article by Hennadiy Klyuchikov: "Leonid Kravchuk Revealed a 'Clandestine' Staff Within the Defense Ministry"]

[FBIS Translated Text] A staff has been established — with [Defense Minister] Valeriy Shmarov's consent — in the Defense Ministry and its operations are practically illegal. Hiding somewhere in Pushcha-Vodytsya, its officers have drafted a program for profound army reform, keeping it secret from the chief of the Ukrainian General Staff [Colonel General Anatoliy Lopata].

This is what Major General Leonid Kravchuk, first deputy chief of the Ukrainian Armed Forces Academy, reported on at the 3 February conference addressing the problems of building the Ukrainian National Army. Leonid Kravchuk claimed that Colonel General Anatoliy Lopata, chief of the General Staff, "declassified" this information when he delivered a report to the Ukrainian Armed Forces Academy instructors on 2 February 1996.

A "secret" plan envisages the abolishment of management structures of the two remaining military districts and of other military units. This measure can also be interpreted as the first step toward the ruining of the state defense system which was created with such great an effort over the past four years.

According to Leonid Kravchuk, some Defense Ministry main departments chiefs were given a short deadline to look through the draft prepared by a secret staff and then ordered to sign it. A refusal to sign the document could lead to most serious sanctions. Regrettably, according to Leonid Kravchuk, there were quite a few generals who were ready to sign any document to preserve their privileges and benefits.

In the presence of Ukrainian people's deputies and Defense Ministry representatives, Major General Leonid Kravchuk said that he assessed the establishment of an "illegal" structure within the power ministry as an attempt at a military coup d'etat to fully destroy the state defense system and then abolish the sovereignty of the state. Leonid Vasylyovych called upon the entire officer corps to force the Defense Ministry Collegium, through all forms and methods, to resign for attempting to undermine the defense potential of the state, for the unsatisfactory state of army combat capability, and for the inability to combine efforts around priority defense tasks.

But First Deputy Defense Minister Ivan Vasyloyvych Bizhan is not inclined to dramatize the situation in the ministry. He confirmed that two months ago, on 26 November 1995, he was instructed — by order of Ukrainian Defense Minister Valeriy Shmarov — to set up and head a working group to draft proposals for the Armed Forces buildup program. Ivan Vasyloyvych says that all main departments chiefs were involved to some extent in preparing a draft program. In addition, the draft program has been discussed at the Defense Ministry Collegium and at the meeting of the Defense Council. Although the profound changes in the state defense system put forward by the Ivan Bizhan group were in general approved at the meeting of the Defense Council, a final decision has not yet been adopted. At issue here is only a search for the most effective approaches toward resolving this problem.

It turns out that if one trusts the words of Colonel General Ivan Bizhan, who is the "secret" staff chief, the military district system is being destroyed based on the most sincere intentions.

Precisely future changes in the Armed Forces became the primary issue at this conference. According to the plans of its organizers, the forum had to become the first open and decisive attack by generals and officers who did not approve of the officially pursued course of military reform. Therefore, a massive support group of Ukrainian people's deputies was invited to participate in the conference. The top leadership of the Defense Ministry was invited to play the role of "whipping boys."

But the Defense Ministry did not accept this challenge. Valeriy Shmarov and the overwhelming majority of main department heads preferred to participate in a skiing event, which they obviously considered to be a more important issue than babbling. Colonel General Bizhan, as always, evaded direct confrontation skillfully, limiting himself to absolutely bland diplomatic phrases.

From the very beginning, participants in the conference fired their heavy weapons, sharply criticizing the Defense Ministry leadership: They insisted on the immediate dissolution of the Defense Ministry Collegium, on a new performance assessment of officers, and on the return of Kostyantyn Moroz [former Ukraine defense minister] and Volodymyr Mulyava [currently head of the Ukrainian Cossacks Union] to their former Defense Ministry posts. A draft resolution even proposed revising revise international agreements which do not meet Ukraine's national interests. But, given the ambitiousness of the speeches by Kostyantyn Moroz, Volodymyr Mulyava, and Borys Kozhin, it is unclear what prevented them from implementing their splendid plans to build the Ukrainian National Army at the time they had full power. Perhaps they did not have spare time. For example, Volodymyr Mulyava made 47 foreign trips and had time to only paint party slogans in study rooms and place hetmans' portraits on the walls. Now the generals who ruined the Soviet Army and who failed to establish Ukrainian Armed Forces are dreaming of launching the buildup of another army. I am afraid that the results will be the same.

Belarus

Belarus: Deputy Minister Outlines Foreign Policy Direction

LD1002183296 Minsk Radiostantsiya Belarus International Service in Belarusian 1900 GMT 9 Feb 96

[FBIS Translated Text] Andrey Sannikaw, Belarusian deputy foreign affairs minister, has held a briefing for journalists. The journalists were interested most of all in the results of the extended meeting of the Collegium of the Foreign Affairs Ministry that was addressed by President Alyaksandr Lukashenka. According to Sannikaw, the Collegium discussed issues concerning the activities of the Foreign Affairs Ministry in the Western and Eastern directions. It was stressed once more that the foreign policy of Belarus is oriented in many directions. In particular, according to Andrey Sannikaw, Foreign Affairs Minister Uladzimir Syanko will make a number of visits to China, Japan, Korea — the countries with whom trade and economic cooperation are very important for our country.

The activities of the Belarusian diplomats in this or that country, as was stressed at the meeting, is instrumental in the increasing of trade turnover and development of comprehensive relations. Andrey Sannikaw confirmed the information that a decision is being prepared regarding the appointment of a Belarusian ambassador to Poland. This position has been vacant for over six months. However, the deputy minister did not give the name of the future ambassador.

Among the most important events that will take place in the near future, Andrey Sannikaw noted the official visit by President Lukashenka to Moscow, the visit of the president of Yugoslavia to Belarus, and the trip to Bulgaria of Prime Minister Mikhail Chyhir.

Belarus: INTERFAX Report on Chyhir Speech Criticized

LD0902222796 Minsk Radio Minsk Network in Belarusian 1700 GMT 9 Feb 96

[FBIS Translated Text] Our information agency has received the following report from the press service of the Cabinet of Ministers of the Republic of Belarus:

The information agency INTERFAX in its 'Presidential Bulletin' report of 8 February carried information which significantly distorts the contents of the report by Prime Minister Mikhail Chyhir to parliament on the formation of the single customs area. The correspondent's statements on value-added tax and customs duties on imported material resources are not true either. Unfortunately, the Cabinet of Ministers' press service is obliged to state that it is not the first time that INTERFAX has distorted facts on the activities of the government of Belarus. In future, the correspondents of this agency will be refused official information from government sources until the agency takes measures to prevent such distortions.

Belarus: Airman Discusses U.S. Balloon Downing Sep '95

WS0902113596 Minsk IMYA in Russian 2 Feb 96 p 6

[Interview with Belarus Senior Lieutenant Konstantin Timofeyev, flight engineer aboard the MI-24 helipcopter that shot down two U.S. balloonists over Belarus on 12 September 1995, by Severin Kvyatkovskiy; place and date not given: "A Hostage to Order and Conscience"]

[FBIS Translated Excerpt] **He keeps the photographs of the killed Americans at home. The pictures are cut from MOSKOVSKIYE NOVOSTI. Alan Frankael and John Stuart-Jervis. He learned their names from the press. He could not even conjecture that less than a year before retiring he would bring death to innocent people. It is not important here to know who pulled the trigger. One crew means one responsibility.**

During the four months that elapsed from the moment when the sport air balloon was destroyed in the Belarusian sky, the public seemed to grasp all aspects of this essentially barbaric incident. A state commission of the CIS Aviation Committee and a commission of the International Federation of Air Navigation seemed to dot all the i's and cross all the t's. Diplomats exchanged necessary notes and apologies. Only three people — direct witnesses and participants in the tragedy, executors of the order — have remained in complete obscurity. Some people believed them to be cold-blooded killers, who did not hesitate to shoot down the defenseless balloonists.

It is not difficult to get to military unit No. 02183: You have to take a Minsk-Brest electric train to the Oranchitsy station, then half an hour by bus, and there you are, in the village of Zosimovichy, where a helicopter regiment of the Belarusian Air Forces is deployed. Senior Lieutenant Konstantin Nikolayevich Timofeyev, 30-year-old engineer of the fated MI-24, turned out to be the only member of the crew whom we managed to interview. It could be felt that he was not too inclined to talk to a representative of the fourth power. However, he did not keep his mouth shut tight.

[Timofeyev] It was especially painful for us to see how the media presented our crew — pathological killers. Could we have really shot disarmed people if we had seen them?! Bullshit! The journalists did not grasp the essence of the matter. Why did they not come and talk with us before reporting? Only their general information was true: the time we took off, where we flew.... Certain publications did not even find out how the downed balloon looked. MOSKOVSKIYE NOVOSTI, for instance, published its photograph, showing it as cheerful and profusely painted. Not even the slightest resemblance to the real one, which was of a gray-metallic color. FIZKULTURNIK BELARUSI went further: "The downed air balloon was of a standard type, of a dull silver color, its volume equal to 1,050 cubic meters, with quite big markings on the balloon cover and a U.S. flag." Nonsense. There was no trace of any markings on the balloon cover. Furthermore: "It was not hard to bring an air balloon down on the ground;" but in what way, I wonder?

[Kvyatkovskiy] There were reports that it was enough to make one hole in the cover in order to bring the balloon down, so, consequently, there was no need to perforate it with a machine-gun burst.

[Timofeyev] Everything depends on the gas filling the envelope. If it is a neutral gas, the balloon may land safely even with a dozen holes in it. However, this balloon was filled with some other gas; the balloon simply burst into tiny pieces. The basket was covered with the same fabric as the balloon itself; it was a meteorological-sounding balloon pure and simple.

[Kvyatkovskiy] Which did not show any sign of life?

[Timofeyev] Absolutely. Let us suppose that their onboard communications failed. Then it would have been possible at least to wave hands, legs, or some flag. The sportsmen from the other balloon behaved exactly like this. And the crew of the other helicopter successfully brought them down.

[Kvyatkovskiy] And, of course, that crew has not experiencced such problems as yours.

[Timofeyev] Our luck was that we ultimately avoided the slammer.

As is known, according to Lukashenka's edict, a Belarusian-Russian international commission was created. I had the impression that the commission was bossed primarily by Moscow representatives. They firmly kept to their own line, searching for whether we fulfilled everything, or recorded everything in the flight record book, or whether our clearances [dopuski] were valid, etc. It seemed that the crew did not have the right to fly or shoot. To put it simply, they were trying to make us scapegoats, whipping boys. I think that the commission was headed by incompetent people... retired pilots, who dealt with the PO-2 and the AN-2 half a century ago, had no idea of the current flying standards, nor current flying equipment. Instead of familiarizing themselves with all documents first, they begun besmirching us; especially the pilots got an earful. I, the flight engineer, got off lightly.

But we only carried out the order, which came directly from the Belarusian Air Forces Staff. It is written in black and white in the regulations that criminal responsibility is mandated in case one does not carry out an order during combat duty. Combat duty means that we should be in full combat readiness during the daylight hours.

[Kvyatkovskiy] Can you tell us how everything took place on 12 September?

[Timofeyev] I do not remember precisely at what time we were put on alert that day. It is better to get this from the press. While in the sky, our helicopter passed under the control of an Air Defense ground-control intercept station. We located the object in a given square at an altitude of 2,000 meters or so. We approached it at a distance of 200 meters. We, in principle, could not question the fliers aboard the air balloon with our radio, but they, while seeing or hearing a combat helicopter, could use their emergency communication means — a channel operating on an international frequency. If such a signal is sent, we see a lit control on our emergency receiver — to put it simply, an SOS signal. Besides, as it became known later, they had a satellite communication set, with 740 channels. In addition, I will repeat, there was the possibility to send visual signals. The balloon was flying near clouds; we passed it at the same altitude. The communication center ordered us to fire a warning shot. We fired and reported. The next order: destroy it. The machine-gun is not devised to fire a single shot; therefore, we fired a burst. Then we traced the falling of object and reported the coordinates. That was all. It lasted 10-15 minutes. We did not deviate from the instruction a single millimeter. Actually, we did not need to clear ourselves: the documents confirmed the correctness of the crew's actions. The state commission had to admit this.

[Kvyatkovskiy] As far as I know, despite everything, each member of the crew was presented with a watch.

[Timofeyev] True. This cheap stuff is sold in every shop.... We were awarded it in fulfillment of a combat task — a present from the Air Force commander.

[Kvyatkovskiy] Has anything changed in your life following the incident with the air balloon?

[Timofeyev] There have been no occurrences whatsoever in my service and personal life. However, I will never forget that event and everything connected with it. This is, if you please, my soul's burden. We did not know that there were people in the basket. It turned out that we had committed a sin by killing people for no reason at all. Americans or not Americans, it is unimportant. People.... This was a shock for us. What could we do after that? We lighted candles in the church, sat down, drank to their memory.... Also, we can tell the truth. [passage omitted]

Moldova

Moldova: Popov Expects 'Easier' Talks on Army Pullout

AU1002123396 Chisinau BASAPRESS in English 2210 GMT 8 Feb 96

[FBIS Transcribed Text] Chisinau 8/2/1996 (BASApress) — "Now that Russia has entered the Council of Europe, it is easier for us to negotiate the Russian troops withdrawal from Moldova," Mihai Popov, Moldovan foreign minister, told a press conference today.

"Moldova supported Russia's adherence to the Council on the condition that the Russian Duma will ratify in six months' time the agreement on Russian troops evacuation from Moldova. Russia assumed this international responsibility and it is desirable that the Duma take it into account," Popov stated.

He mentioned that the relations with Russia are very important to Moldova. To date, 98 documents regulating the relationship between the two states have been concluded. But many of them have not been implemented.

In this sense, Popov believes it would be timely to nominate a special commission to present periodical reports on bilateral agreements implementation to Parliament.

Referring to Ukraine's involvement in the Dniester conflict solution, Popov said that some Ukrainian subdivisions of "blue helmets" might be included in the peacekeeping forces, the funding of these operations being currently discussed.

Popov confirmed Chisinau's refusal to transform some Russian military subdivisions in Dniester into peacekeeping forces.

Asked by BASA to assess Romania's chances to be involved into the Dniester conflict solution, Vasile Sova, vice foreign minister, declared that Bucharest's inclusion into the process might cause distrust in the current mechanism, which in Sova's opinion is operative. He admitted that at the final stage requiring state guarantors for the Dniester status observance, Romania might join the process.

As for the anti-Romanian policy that, as President Snegur put it, has acquired proportions and is manifested in different areas, Popov said the Chisinau and Bucharest diplomats make efforts to fight anti-Romanian and anti-Moldovan attitudes. Popov stressed that the anti-Moldovan attitude is as strong in Romania. This is proved by the encyclopedia, which lacks the Republic of Moldova, and the substitution of "Bessarabia" for the "Republic of Moldova" in current speech.

Moldova: Popov: Multinational Force May Be Deployed in Dniester

AU1002124796 Chisinau INFOTAG in English 2120 GMT 8 Feb 96

[FBIS Transcribed Text] Chisinau, February 8 (INFOTAG) — Mihai Popov does not rule out a possibility of deploying a multi-national peacekeeping force in the Dniester region. Such a variant is being considered at present, he said at the press conference [today], and if Russia keeps on insisting on the reduction of its peacekeeping contingent, then international peacekeepers may be brought to the region, with OSCE's [Organization on Security and Cooperation in Europe] consent, including ones from Russia and Ukraine.

Russia is suggesting to convert its former 14th Army into a peacekeeping unit, but that is unacceptable for Moldova for various reasons. Mr. Popov expressed hope that Moscow will fulfill its commitments taken at joining the Council of Europe, namely will ratify the Army Withdrawal Agreement, and remove the troops in agreed terms.

Answering a question on a possible inviting Romania to mediate in the conflict settlement, Deputy Minister Vasile Sova has admitted that at the final negotiation stage such a variant may be possible, but currently it is not on the agenda, as the sides are seeking to accelerate the process with the help of the available mediators.

Moldova: Parliament Rejects Snegur's Language Bid

AU1102160796 Chisinau INFOTAG in English 1930 GMT 9 Feb 96

[FBIS Transcribed Text] Chisinau, February 9 (INFOTAG) — The Parliament today declined Snegur's legislative initiative on re-naming the official language from Moldovan into Romanian. The president-proposed amendment of two Articles in the Constitution, which determine the official language name, were supported by 25 deputies representing the opposition Bloc of Peasants and Intelligentsia, the Popular Front, and the Party of Revival and Accord. And 58 deputies of the Agrarian Democratic Party [PDAM] and the Socialist Unity [US] voted against the initiative. Mircea Snegur submitted the initiative on last April 27, after a many-week strike of students and teachers, which was provoked by the Ministry of Education's intention to replace "The Course of the Romanian Language" with "The Course of the Moldovan Language" in schools and universities.

According to the Constitution, a legislative initiative on amending the Main Law must be considered by Parliament not earlier than after 6 months as from its submission. The Snegur-proposed draft law envisages to alter Articles 13 and 118 in the Constitution. In its present shape, Article 13 reads that the official language in the Republic of Moldova is Moldovan, based on the Latin script. Article 118 reads that judicial proceedings are run in the Moldovan language. The president is seeking to replace "Moldovan" with "Romanian" in both places. Most of parliamentary committees today voiced their negative attitude to the presidential initiative. The chairman of the Legal Committee, Victor Cecan, stated that the draft "fails to reflect the existing reality which has emerged in the sphere of language usage." Besides that, in his opinion, the procedure of submitting legislative initiatives has been violated. In particular, the Constitutional Court has passed its conclusion on the draft law before the Parliament had approved the Law on Constitutional Jurisdiction.

Most deputies who took the floor today voiced two opposing opinions. One side (PDAM and Socialist Unity) insisted to decline the initiative, and stated they reserved a right to raise the question of an all-nation referendum on the language name. The other side (the 2 opposition factions) argued for re-naming the language into Romanian. Finally, the proportion of opinions has been determined by voting.

The Parliament Chairman Petru Lucinschi has suggested to juridically fix both names of the official language — in the "Moldovan (Romanian)" way. Speaking at today's linguistic debates in Parliament, he said that such a dual wording formula "reflects most adequately the current socio-linguistic realities in the society." Lucinschi named it "a compromise formula which we shall arrive at, sooner or later." He emphasized that the polar atmosphere of the debates indicates that "we have returned to the problem too early. Conditions for taking a final decision on the issue have not ripen yet." In his belief, the dispute about "two names of one and the same, our native language" have scientific, psychologic, political, and legal specifics. A majority of the population support a formula which they got used to, but which is rejected by scientists. The problem has assumed a political character. "It cannot be resolved without an account of what is happening in the republic and around it," the speaker stressed, and remarked that "we must thoroughly analyze how all this will influence the position of intelligentsia, students, and the Dniester settlement. Some people presume that the more we exploit the idea of Romanism, the happier will be unification perspectives. Other put emphasis on Moldovenism, regarding it as an additional guarantee for preserving the statehood of the Republic of Moldova," Lucinschi said. "Assuming one of the two polar variants will not solve the problem. In any case, there will be a minority, or a majority, discontented about any decision taken."

The Parliament chairman suggested to preserve the parallel use of both language names, so that any person might use any, given that this shall not entail any personal or administrative restrictions. He urged to create proper conditions for all those who wish to learn the language, so that it eventually became a state language for the entire population in the state.

Moldovan President Mircea Snegur has stated, there is only one scientific truth which must be fixed in the Constitution — that the republic's official language is called Romanian. Speaking in Parliament today, Snegur reminded that viewpoints on the issue had been stated by the Moldovan Academy of Sciences, prominent foreign scientists, and prestigious scientific forums. "Any attempts to rehabilitate pseudo-scientific linguistic arguments are but apparent disrespect of science," the president stressed.

The "war of glotonyms," which the parliamentary majority factions do not wish to stop, reveals "the attempts of certain political forces to raise to the rank of state doctrine an anti-national, anti-Moldovan ideology which directly inherits the old-time policy of de-nationalizing the Moldovans and keeping them at a low cultural and spiritual level," he said.

This ideology of pseudo-Moldovenism is nothing but an ideology of anti-Moldovenism, he emphasized. Its exponents claim that "the entire national heritage, created in Moldovans' native language, i.e. in Romanian, undermines the integrity and even the very existence of the Republic of Moldova."

Having named the pseudo-Moldovenism ideology as "a form of a linguistic and cultural separatism," the president stated that "the imposing of glotonym 'the Moldovan language' negatively influences the development of a high-quality, literary language and national terminology," and leads to "breeding a primitive Romanian language in the Republic of Moldova."

He said, officialization of glotonym "the Moldovan language" is doomed to failure, and laid responsibility for "the course of de-nationalization" on those who "speaking on the people's behalf, are shooting at its national essence."

The advocates of the language name referendum "should not hide behind people's backs." As for the referendum itself, "it is likely to provoke a real social destabilization, a new wave of inter-ethnic strain," Snegur said.

The preservation of the articles in question, which are based on the old regime's ideology, may damage Moldova's international image, too, the head of state presumes.

He has spoken out against "the so-called compromise variant of preserving the 'Moldovan language' name, with a 'Romanian' specification added in brackets. I do not accept a compromise which generates ambiguity, for it only distorts the truth," the president said.

The point is not in a compromise between the Parliament and president in the language name dispute. "The Parliament represents various opinions existing in the society, therefore the compromise problem is a matter of internal parliamentary relations only... As for me, I am not going to change my stance," Snegur said. He admitted that by submitting his legislative initiative he realized a possible risk of being misunderstood by a part of the population, and thus of losing their political support.

"Nevertheless, I have made this step," he stressed.

Kyrgyzstan

Kyrgyzstan: Akayev To Boost Chinese-Kyrgyz Links

LD0902220296 Bishkek Kyrgyz Radio First Program Network in Russian 1200 GMT 9 Feb 96

[FBIS Translated Text] Activating economic and trade relations between Kyrgyzstan and China is one of the problems that (Jiang De Guan), deputy minister of foreign affairs of the People's Republic of China, solved with Prime Minister Apas Dzhumagulov and Foreign Minister Roza Otunbayeva during his visit to Kyrgyzstan. It was noted at a briefing at the Ministry of Foreign Affairs at the end of the visit that exports to China were over $50 million in 1995, while the volume of imports were $4.2 million. Lack of agreements in the banking sphere has been a brake on trade and economic cooperation, and does not allow financial control over the taxation of trade operations.

The situation in Tajikistan was also touched on during the visit. Kyrgyzstan and China are interested in its stabilization. Both states are ready to take a very active part in the peace talks process. It was also announced at the briefing that a visit by Kyrgyz President Askar Akayev is expected to be made to China in the first six months of this year, which will attach greater dynamism to bilateral relations between the two friendly countries.

Kyrgyzstan: Akayev Addresses Nation on Upcoming Referendum

LD0902092996 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 1200 GMT 8 Feb 96

[Address to the nation by Kyrgyz President Askar Akayev — live]

[FBIS Translated Text] Dear compatriots! I am addressing you on the eve of an event which is of importance for our country — the referendum on amendments and additions to the Constitution of the Kyrgyz Republic. I spoke to you at the beginning of last month about the main reasons why I have put these questions to a nationwide ballot. Then, a draft law on making amendments and additions to the Constitution of the Kyrgyz Republic was published in the press. There was a very broad response to this from the citizens of our country and it is pleasing to note that this response reflected understanding and approval of the need to improve the state system, to increase the responsibility of state institutions before the people, and to establish order in every living sphere of our society.

Our compatriots link [word indistinct] the issue of setting up a reasonable state system with the future of our country, with the progress achieved through the reforms we are conducting and with the goal of improving the people's living standards. There are great tasks ahead, but we do not have much time to carry them out. Our current stage of development is such that the energy and efforts of state institutions and of all the people need to be focused on bringing the country on to the path of stable development as soon as possible. It is only on this basis that we can ensure the people's well-being, solve serious social problems, preserve and develop our culture.

We do not have the time to be diverted by political games which nobody needs and which, moreover, threaten dangerous consequences. Unfortunately, the present constitution is to some extent creating the conditions for this. It is time for every branch of state power to work efficiently within the set framework of its powers and to take responsibility for the state of affairs in its sphere of activity. The draft law on amendments and additions to the Constitution of the Kyrgyz Republic is directed at establishing precisely this kind of system of state institutions.

I would like to take this opportunity to thank all my compatriots who understood correctly the meaning of this issue and who spoke actively in favor of amendments and additions to the Constitution.

Certain doubts and objections concerning the question to be put to a referendum were expressed during discussions. Let me dwell on two main points briefly. Some people believe that this question could have been solved through parliament, without it being put to a referendum. What can I say about this? In principle, we could have done this, but it obviously made sense to have the people's consent — primarily because we are dealing with an extremely serious question. Practice shows that only the people can be the impartial judge in such situations, the people should express their opinion.

Some of our citizens are worried that a new splitting of powers between the branches of power might make the president too powerful. I believe that there are no grounds for such fears. The result of splitting powers will most likely be a more natural and reasonable balance in the mechanism of controls and counterbalances. The president will only have what he needs to carry out his duties as guarantor of the Constitution, of law, and of citizen's rights and freedoms, and to ensure the unity of the state system and the coordinated interaction of state bodies.

I want to assure you and all those following the development of our country and of democratic transformation here that we remain true to the ultimate ideals of freedom and democracy. We will pursue our chosen course still further and solve at every concrete phase of society's development the problems posed by everyday life.

Today we are occupied with finding the most effective ways and means of realizing our ideas as soon as possible. When pursuing great aims, one should not lose touch with reality, one might lose one's way.

Dear compatriots! On Saturday you must answer yes or no to the proposed amendments and changes to the Constitution. I hope you are convinced that these amendments and changes meet the interests of our state and society. They are aimed at increasing the efficiency and responsibility of state power, at establishing a definite system of government, and at obtaining the required returns from the reforms we are conducting. It is precisely for this reason that I am calling on you to take an active part in the nationwide ballot, in the forthcoming referendum. Our future depends to a large extent on your vote. Today, we are deciding our future ourselves. Your will is the leadership's command. I believe in your wisdom. I wish you all good luck and happiness.

Kyrgyzstan: Referendum Begins on Extending Presidential Powers

LD1002105496 Moscow ITAR-TASS World Service in Russian 0720 GMT 10 Feb

[By ITAR-TASS correspondent Alisher Niyazov]

[FBIS Translated Text] Dushanbe, 10 Feb — The referendum on the delimitation of the powers of the branches of power began today at 0800 [0300 GMT] at 2,000 polling stations in seven constituencies of Kyrgyzstan. A draft law on introducing additions and alterations to the country's constitution has been put forward by Kyrgyz President Askar Akayev and proposed for consideration by the citizens of the republic. The voting lists contain the names of 2,254,000 people.

In the past, the head of state has frequently expressed dissatisfaction with the unjustifiably broad powers of the representative branch of power in determining domestic and foreign policy under which the president, as Askar Akayev himself has said, "is allocated the role of the Queen of England".

After winning a convincing victory in the presidential elections in December 1995, Askar Akayev immediately decided to put the question of extending presidential powers to nationwide discussion and signed a decree on holding a referendum on 10 February.

This ITAR-TASS correspondent was told in the press service of the Kyrgyz Central Electoral Commission that for the president's initiative to be approved it needs the support of 50 percent of the participants plus one vote, from the electoral list.

Kyrgyzstan: Akayev: Referendum Aimed at Accelerating Reforms

LD1002170096 Moscow INTERFAX in English 1349 GMT 10 Feb 96

[FBIS Transcribed Text] BISHKEK, Feb 10 (Interfax) — The main purpose of the referendum on changes and amendments to the constitution which is now underway in Kyrgyzstan is to accelerate reforms in all directions, Kyrgyz President Askar Akayev told reporters when casting his ballot at a polling station in Bishkek Saturday.

Kyrgyz reforms have skidded over the last two years, Akayev said.

Akayev said he intended to deliver an annual message to parliament in the near future to introduce a program of radical measures to speed up reforms.

The program provides for some personnel changes in the government, he said.

"[We] now need to concentrate strength in order to rebegin reforms," Akayev said.

The considerable skid of reforms in 1994-1995 was caused by "political events which required much strength and energy," Akayev said. (During 1994-1995 a referendum, parliamentary and presidential elections were held in Kyrgyzstan - IF).

The present referendum should "concentrate all efforts made by various branches of power on resolving social-economic problems" and "rule out struggle between various branches of power," Akayev said.

Furthermore, Kyrgyzstan needs to continue legal-judicial reforms, Akayev said. "Countries where courts are weak are the best soil for authoritarianism and dictatorship," he said.

Akayev also said Kyrgyzstan should complete reform concerning local self-rule administrations and centralization of power. This is necessary "in order to prevent regional, clan and selfish interests from influencing state rule," he said.

Akayev said he deemed it necessary to help the establishment of political parties and public movements, especially democratic ones. He said he was concerned about the fact that the Communist Party was the most active participant in the latest presidential and parliamentary elections. "If the republic has three to four strong political parties by the year 2000, it will be possible to rule out appearance of totalitarianism," Akayev said.

Akayev said he believed that during the five years of his rule Kyrgyzstan could hold another referendum which would concern introduction of private ownership to land if this issue was not settled by parliament.

Tajikistan

Tajikistan: U.N. To Unveil Tajik Settlement Plan at Talks

LD0902202696 Moscow INTERFAX in English 1650 GMT 9 Feb 96

[FBIS Transcribed Text] ASHGABAT, Feb 9 (Interfax) - The United Nations will unveil its Tajik settlement plan at the next plenary meeting of the two delegations, the special envoy of the U.N. secretary-general, Ramiro Piriz-Ballon, told Interfax before today's round of talks began.

The U.N. plan does not have anything in common with the Tajik government's motion to let the opposition speak in parliament, he said. At the same time, he welcomed this initiative, saying "this is a confidence-building measure the talks will benefit from."

Commenting on the situation in the Tavildara district of Tajikistan, he said reports of U.N. military observers "caused alarm."

"The United Nations is calling both on the Tajik government and the opposition to stop military operations and retreat to the previous positions through various channels, including at the top level," he said.

Piriz-Ballon said he will raise this issue at today's plenary meeting as well.

Tajikistan: Government, Opposition Forces Continue Fighting

LD0902183896 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1630 GMT 9 Feb 96

[FBIS Translated Text] Russian army forces today raided the positions of the Tajik government opposition groups in Tavildara region using aircraft and helicopters.

Quoting informed military sources, Iran's news agency reports: At present, intense fighting is continuing in Tavildara between government forces and the Russian forces, on the one hand, and Tajik armed groups, on the other.

It should be said that today for the first time a Russian MIG jet fighter flew from Dushanbe airport to bombard the opposition positions in Tavildara.

Tajikistan: Situation in Khorog 'Sharply Deteriorated'

LD1002114696 Moscow ITAR-TASS World Service in Russian 1053 GMT 10 Jan 96

[FBIS Translated Text] Dushanbe, 10 Jan — According to military sources, the situation has sharply deteriorated in the town of Khorog, the administrative centre of Gorno-Badakhshan. Opposition commander Majnun, who is subordinated with his "self-defense detachment" to the Tajik joint opposition, intends to carry out a series of actions aimed at destabilizing the situation in Khorog.

It is now two days since anything was known about the whereabouts of a Gorno-Badakhshan administration delegation, which left for Vanj to familiarize itself with the situation there. The UUN representatives confirmed to ITAR-TASS today that a group led by "General" Salam Muhabbatov, who also describes himself as "chairman of the jihad council in Gorno-Badakhshan," has seized control of this district center.

According to experts, the autonomous region is more and more actively using the opposition as the first transshipment point for drugs from Afghanistan. Yesterday border guards of the Khorog border detachment managed to seize 15 kilogramms of raw drugs. Several residents of Gorno-Badakhshan attempting to convey drugs were arrested.

Tajikistan: Peacekeeper's Commander Proposes All-Party Talks

LD1002142496 Moscow Russian Television Network in Russian 1100 GMT 10 Feb 96

[Video report by correspondent T. Logunova; from the "Vesti" newscast]

[FBIS Translated Excerpt] [passage omitted] The collective peacekeeping forces stationed in Tajikistan are maintaining neutrality.

[Begin Zavarzin, peacekeeping force commander, recording] At present the government forces are in control of the situation here. I think and propose that in this region there should be separate talks on the questions of the negotiating process. It is necessary to bring all sides to the conference table. The collective peacekeeping forces offer their services for this. [end recording]

Tajikistan: Army Units Hold Key Posts in Tavil Dara Area

LD1202110896 Moscow ITAR-TASS in English 0958 GMT 12 Feb 96

[By Galina Gridneva]

[FBIS Transcribed Text] DUSHANBE, February 12 (Itar-Tass) — "Tajik army units are firmly holding key positions in Tavil Dara District in the Pamir foothills, where an armed confrontation between government forces and militants of the Islamic opposition is continuing for two weeks running," Press Secretary of the Tajik President Safar Saidov told Itar-Tass by telephone today with reference to the Tajik Defence Ministry.

He said that army units were in full control of all the accesses to the district centre. No military actions are being undertaken for the time being. The Islamic militants are also adhering to a wait-and-see tactic.

Azerbaijan

Azerbaijan: Aliyev's Meeting With Turkish Envoy Detailed

*NC0902175396 Baku TURAN in English
0057 GMT 9 Feb 96*

[FBIS Transcribed Text] Baku/08.02.96/TURAN—Today President Aliyev received Ayhan Kamel, envoy of the president of Turkey for the Armenian-Azeri settlement .

The Turkish diplomat noted that Ankara was interested in the vision of the official Baku concerning the ways of the settling of the Armenian-Azeri conflict. He also said that, that he was authorised to inform Baku about the point of view of Ankara on that question. According to the Turkish diplomat, now is a favourable situation for the settlement of the problem.

Geydar Aliyev said that in January in Moscow the president of Russia Boris Yeltsin and Foreign Minister Yevgeniy Primakov stated about the proposals of Russia on the resolution of the conflict and about the intention of Russia to activise their efforts in the peaceful process. He also noted that he continues contacts with the US President Bill Clinton. "In his latest message the US stated about the intention to continue efforts on the settling of the conflict," Aliyev said. According to him, the present year "should become a turning point."

"Conditions of Azerbaijan for progress of the negotiation process are simple — liberation of the occupied territories, including Shusha and Lachin and provision of territorial integrity of Azerbaijan," the president said. According to Aliyev Armenian proposes to postpone the question on Lachin and Shusha for the second stage and to solve this problem together with the question on the status and guarantees of security of Nagorno-Karabakh. They propose to discuss at the first stage only the question liberation of other regions. "We do not agree to that and consider that question on Lachin and Shusha should be resolved together with the question on liberation of the other regions," he said.

According to Aliyev, the question on Lachin region was included the agenda of the Armenian-Azeri talks within the framework of the OSCE Minsk group lately. During the talks with the Russian representative Vladimir Kazimirov some proposals on Shusha too were made, the president said. "We are ready to give high status of autonomy to Nagorno-Karabakh but on condition on acceptation of our terms, i.e. simultaneous liberation of all occupied territories including Lachin and Shusha," Aliyev stressed.

Ayhan Kamel noted that during the contacts with the Armenian leadership he noted more than once that Azerbaijan will not agree signing of peaceful agreement if Lachin and Shusha are not liberated.

He expressed assurance that there will be serious changes in 1996 and conveyed to Geydar Aliyev personal message by Suleyman Demirel.

Azerbaijan: Turkish Envoy Carries No New Conflict Proposals

*NC0902204296 Baku TURAN in English
1556 GMT 9 Feb 96*

[FBIS Transcribed Text] Baku/09.02.96/TURAN—"Turkey supports sooner resolution of the Armenian-Azeri conflict within the framework of the OSCE Minsk group. Turkey considers that the efforts of the mediator should not be beyond of the frames of this group," Ayhan Kamel, a special representative of the president of Turkey to the Armenian-Azeri negotiations told TURAN.

He said that the main purpose of his recent visit was to clarify in detail the positions of Baku and Yerevan on the peaceful settlement.

The diplomat noted it was his third visit to the region and the present visit should not be assessed as response to activisation of Russia's mediatory mission. "Both Turkey and Russia are the participants of the Minsk process. Efforts of these countries are held within the frames of the Minsk process are aimed at common purpose - to obtain peace. At the same time, both Turkey and Russia are close to the conflict zone.

"Armenia and Azerbaijan are direct parties to the conflict and central participants to the settlement process. The next country which are more interested in the peace are Turkey and Russia, as the conflict is taking place near our borders," Turkish diplomat noted. According to him, in this aspect activisation of the role of Turkey and Russia in the settlement of the conflict is quite natural.

Speaking about the present situation in the region the diplomat said "the truce is a positive, but we should obtain a firm and final peace," he said. Ayhan Kamel also says that Azerbaijan is a country close to Turkey, that is why Ankara is interested in soon and final settlement of the conflict.

It became known to TURAN that the letter of Suleyman Demirel which Kamel handed to Geydar Aliyev yesterday does not have any new proposals.

Today Ayhan Kamel leaves Baku for Turkey. He is going to inform the leadership of his country about the opinion of Azerbaijan on the negotiation process. Some time later he will pay a visit to Yerevan.

Georgia

Georgia: Shevardnadze Interviewed on Abkhazia, Russia

LD1002185496 Moscow NTV in Russian
1635 GMT 9 Feb 96

[Interview with Georgian President Eduard Shevardnadze by Leonid Parfenov in Tbilisi — live or recorded; from the "Hero of the Day" program]

[FBIS Translated Excerpt] [Parfenov] Good evening! Another "Hero of the Day" program is on the air.

After the meeting of the CIS heads of states in Moscow, it seems that new prospects for settling the Abkhaz problem have been outlined. That has been one of the main political themes of the last few days.

We are filming this program in Tbilisi. Eduard Shevardnadze, president of the Republic of Georgia, is the guest of "Hero of the Day".

Mr. President, what do the sanctions which your colleagues, the CIS heads of state, threatened Abkhazia with, mean?

[Shevardnadze] Peacemaking in the form in which it is being implemented now is not yielding results. Essentially, an artificial border has been formed between Abkhazia and the remaining part of Georgia, so to speak, and military subunits are not taking a neutral position, are not fulfilling their main function of guaranteeing the safe return of people, or the safety of people who will return. You know, over 300,000 people have been driven out of Abkhazia.

A decision was taken at the sitting on 19 January on drawing up a new mandate for the peacekeepers within a month, with already well-known new functions, perhaps police functions or something similar to police functions, to guarantee people's security. That is the first thing. The second thing is to isolate it to a certain extent. This is not a blockade because the decision provides for allowing all sorts of deliveries, let us say of products, of necessary foodstuffs. Deliveries are not banned. However, deliveries can be made only with the permission of the Government of Georgia.

[Parfenov] Does that mean that traffic should flow through the territory of Georgia proper, or is it still possible for deliveries to be brought in from the direction of Sochi?

[Shevardnadze] Deliveries can be made with the agreement of the Government of Georgia both via Sochi and other directions.

[Parfenov] The restriction is on the bringing in of weapons to Abkhazia in the first place, is it?

[Shevardnadze] Not only weapons. This applies unequivocally to weapons, ammunition, military hardware, and so on and so forth. This is forbidden unequivocally. Naturally, we will not give our assent for them to be brought in. As far as foodstuffs and the most essential goods that the population needs are concerned, they will be delivered only with the sanction or permission of the Government of Georgia. [passage omitted]

[Parfenov] One may see that as the politics of the whip. As for what you might propose to Abkhazia, what is the optimum version for Abkhazia being inside Georgia?

[Shevardnadze] You know, this was a measure that had to be taken. We have been holding talks continuously for almost over three years. Even a few months ago we agreed to draw up a memorandum on the principles of a settlement, including on the status of Abkhazia, within the framework of a single Georgian state, a federal state of Georgia, and on people's return. The relevant stages were defined and so on, and the Abkhaz even initialled that memorandum, and then they took it back — they recalled that paper and broke off the talks. Therefore, that policy of the whip, as you put it, is, I would say, a moderate step to force the separatists to sit down at the negotiations and hold talks. We understand that the return of people and a political settlement, that is, the determination of political status, are parallel processes. We recognized that, as it were. That is the first thing. The second thing that I note in reality is that Abkhazia remains an inalienable part of the Georgian state in Georgia. The Republic of Abkhazia will have its constitution, its parliament, such attributes of statehood as an anthem, an emblem, and all the rest that is required in such cases, such as a supreme court, bodies of the prosecutor's office, and naturally, other attributes, so to speak. So we propose to them everything that is necessary for a state formation within the framework of a single state — I stress everything that is envisaged by world standards. Take any state. We are ready to apply these standards to Abkhazia.

[Parfenov] Do you think that such an agreement is attainable with Vladislav Ardzinba there?

[Shevardnadze] .... [pauses] I do not know. In principle, it is attainable but evidently all members of the Commonwealth, and naturally, Russia should be the first to do this, should display sufficient political will to force Vladislav Grigoriyevich to sit down at the negotiation table, so to speak, and discuss the situation that has evolved.

[Parfenov] However, in principle, it seems to you that the problem lies not in him personally, and that it will be possible to reach agreement now on something with the present generation of Abkhaz leaders?

[Shevardnadze] I nevertheless do think that the main problem lies in him. I think that there are reserves for bringing the necessary pressure — and pressure is becoming a necessary factor at this stage if we want a peaceful resolution of the problem. Otherwise, I stress, the outcome will be a bad one. There are such resources.

[Parfenov] As a politician, how do you explain to yourself the aspirations of Mr. Ardzinba? What motivates that man whom, as I understand it, you know quite well?

[Shevardnadze] You know, let us be frank, that is the ideology of aggressive nationalism, of aggressive separatism. It seems to me — I have had occasion to speak about this frequently in public, at hearings — that aggressive separatism is now the main threat. After the end of the Cold War, it is perhaps the main threat, which will lead to destabilization in individual countries, in individual regions, and may assume a larger scale. There is such a threat. I will tell you frankly that everything that is happening in Chechnya began with Abkhazia.

[Parfenov] There are other themes. Has the question of the construction of the oil pipeline via Georgia from the Caspian shelf been resolved once and for all? Will there be a pipeline?

[Shevardnadze] I think that this problem should not cause Russia or the West, or anywhere else, any alarm. Such substantial and important deposits have been found, both in the Caspian Sea and in Kazakhstan and in a number of other Central Asian states, that the desire of investors to have parallel structures for transporting oil and petroleum products is a quite normal and natural phenomenon. It is another question as to which direction will be the main one, the safest one. We cannot say that the so-called western, that is, Georgian direction, is absolutely safe, because there may also be problems here. It cannot be said either that the Russian direction is assured against all sorts of incidents and unpleasantness. Therefore, the solution is that two directions, two routes have been recognized.

[Parfenov] Fears were expressed that Georgia would not have the resources to build its sector of the pipeline. How do things stand with this now?

[Shevardnadze] I think that for us, for Georgia, that is not the main question. We all know, we all understand that, let us say, we are not able to invest $250 million. We cannot do that but since consortia, individual countries, the world bank, and so on and so forth, are interested in a pipeline operating in this direction, in a western direction, sources of finance will probably be found.

[Parfenov] Do you feel Russian business to be your ally in relations with Russia?

[Shevardnadze] It varies, you know. There are businessmen who, albeit, tardily, have remembered that such a territory, such a country as Georgia exists, where capital can be invested and quite good money can be made. For instance, there is a firm called Mikrodin, which is dealing with young, quite young people, who have showed an interest in the Zestaponi smelting plant. The plant is connected with the Chiatura manganese deposit. It is a modern plant and the question is being discussed — and it may be said that it has, in principle, already been decided that they will lease that plant. Talks are under way now between the energy workers of Russia and Georgia. I do not rule out the possibility that we will find common interests here, too. Things have got moving and we are feeling gradually, in stages, that Russian business is showing an interest in Georgia, in the Caucasus as a whole, and in particular, in Georgia.

[Parfenov] Georgia's investigative bodies have charged former security chief Igor Giorgadze with involvement in and even with organizing the terrorist act that was carried out against you on 29 August. Is he really in Moscow?

[Shevardnadze] Well, where else can he be? If he is not in Moscow, then he is in Russia. When our investigation bodies asked for assistance to isolate him, he was really in Moscow. He even appeared often on television screens, and I even recognized certain places [laughs] where the correspondent spoke to him. But I am not making....

[Parfenov, interrupting] [Words indistinct]

[Shevardnadze, interrupting] ....a drama out of that, as it were. There are probably some nuances. I did not even raise that question when I met Boris Nikolayevich Yeltsin in Moscow recently. The question has been raised, so to speak.

[Parfenov] Why are you not formulating the question in a tougher way? Are you not making categorical demands?

[Shevardnadze] Well, what is categorical? I told him as a colleague that the man had been exposed, that there was evidence, there were testimonies, there were facts, and so on and so forth — so there are no doubts about this question. It seems to me that what I am guided by in Russian-Georgian relations is more important and valuable than the fate of one terrorist although, of course, there is a sense of grievance, naturally. It is only human.

[Parfenov] About another opponent of yours — what progress is there in the case of Jaba Ioseliani? Is he still accused of possessing weapons and drugs or has his involvement in terrorist actions on the territory of Georgia been proved?

[Shevardnadze] I do not want now to disclose any details of the investigation but I am told that his involvement has been proved. I cannot — until the verdict has been reached, until the documents are presented to me as president of the Republic, and so forth — I naturally cannot say. As for myself personally, I could not conceive before that he could take part in such an action, to put it mildly, but, I probably am convinced personally that those who carried out the act were so devoted to him, and were so subordinate to him, that they would hardly have embarked upon it without his agreement, without his wanting that.

[Parfenov] Do you think that you were wrong about that man in your time? After all, he was among those who invited you to return to Tbilisi?

[Shevardnadze] You know, in the first place, I am against such a term as: he invited. A certain part of Georgian society invited me. I think that it was only the intelligentsia, people I knew over many decades, who invited me. Naturally, Jaba Ioseliani played an active role in this. He was one of the most active supporters of my return but, then, we naturally.... [pauses] Well, in the first place, I could not come out against Tengiz Kitovani immediately, against Ioseliani, against others who had real power. I returned. After a while we convened the Consultative Council, then the State Council. They were unlawful bodies. I was the symbolic chairman of that State Council. Real power lay with these people. What could I do? I tried to influence the situation as far as I was able. Real politics are such. They are tough, you know. (?That has to be taken into account.) When the time came, when they gave grounds for that, naturally the state adopted the necessary decision and put things in order. I will say outright that it is a different country, a different Georgia now.

[Parfenov] You spoke of your Moscow home. Tell us please, do you still have your flat in Tokmakov Lane? Do you still have a Moscow apartment, too?

[Shevardnadze] That is how it is so far but something probably has to be thought of. That is not the main question.

[Parfenov] The mass media of Russia carried reports that you advised President Yeltsin, as a friend, against running for a second presidential term. Is that true?

[Shevardnadze] No, it is not. It would not be tactful for me even to voice my opinion as to who should be supported and so on and so forth. In my personal opinion, until he makes up his mind whether to stand as president again, if he keeps in the same form — I saw him, I spoke to him for about 40 minutes and then he chaired that sitting — if he keeps in the same form, the same good, fighting form as he was in four years ago, in his place, I would stand. I would stand. I am not advising him to do that, as it were. But that is what I would do in his place. That is a different matter.

[Parfenov] In your place, tell us please, did you ever think about that? Is this your only presidential term? Or do you not rule out for yourself the possibility of a second presidential term?

[Shevardnadze] I have got another five years to think about that. [laughs] Young people have, naturally, come forward now. The chairman of our parliament is 32 years old, 31 or 32, I think. The minister of state is young, too, not very young, but young. Very many of the ministers are young. Look at the deputies, at the deputy corps! It is very pleasant — 80 percent are young people. It is a rather well-educated, rather experienced, very interesting parliament. So there will be a large choice. The choice was not big now, you know. If there had been a choice, I would not have stood. After all, I am 68. [passage indistinct]

[Parfenov] The last question — after over more than 47 years in politics, what does a man feel? Fatigue? That he has had enough? Simply exhausted by the responsibility, by the burden of the problems?

[Shevardnadze] People are different. Politicians are different. Their organisms are different, probably. [laughs] I, for instance, do not yet feel that fatigue or any lessening of my interest in life, in the problems that arise, in the sense of energy, drive, and so forth. I still have the strength. If I feel that I am not the person the country needs, I will let the people or parliament know. The Constitution allows that to be done. If the president is not up to it, we will set a date for elections and we will elect a new president. But so far, I seem to be in good form. [laughs]

[Parfenov] Thank you Mr. President for your replies.

Georgia: Replacement of CIS Peacekeepers in Abkhazia Under Way

MK1002072796 Moscow NEZAVISIMAYA GAZETA in Russian 9 Feb 96 p 3

[NEGA report: "Abkhazia"]

[FBIS Translated Text] The replacement of all subunits of the CIS peacekeeping contingent in the Gali Rayon security zone began on 8 February. The final decision on this was made in a meeting between representatives of the Georgian and Abkhazian sides, the peacekeeping forces command, and UN observers in the Georgia-Abkhazia conflict zone, held on 7 February on the bridge over the Inguri River.

Georgia: Menagharashvili: Georgia Seeks Peaceful Abkhaz Settlement

LD1102143696 Moscow ITAR-TASS in English 1425 GMT 11 Feb 96

[By Tengiz Pachkoriya]

[FBIS Transcribed Text] TBILISI, February 11 (Itar-Tass) — Peaceful settlement in Abkhazia is in Georgia's interests, Georgian Foreign Minister Irakli Menagharashvili, told journalists on Sunday.

According to Menagharashvili, all other settlement variants "run counter to Georgia's interests". He expressed confidence that Georgian central government's jurisdiction will be restored on the territory of the Abkhazian autonomous republic.

Commenting on the resolution of the Moscow CIS summit on the Abkhazian settlement, the Georgian foreign minister said that so far, there is no proper mechanism for its implementation. It is necessary to make concrete steps in this direction, he said. According to Menagharashvili, the work has been done to draw a document on joint activities of the Georgian and Russian border guards to establish control over the Abkhazian section of the Georgian-Russian border.

Georgia: Communists Condemn Blockade of Abkhazia

LD1002101896 Sukhumi Republic of Abkhazia Radio in Georgian 0550 GMT 10 Feb 96

[FBIS Translated Text] Georgian communists have circulated a statement deploring an anti-Abkhazian campaign launched by Shevardnadze and a decision taken by the CIS heads of state. The political committee of the Georgian United Communist Party has stated that a blockade introduced against Abkhazia will have an immediate impact on the living conditions of Abkhazia's long- suffering population and that the sanctions run counter to the universally recognized fundamental moral and legal norms. It jeopardizes peace and security in Abkhazia and creates a danger that the war in the Caucasus will expand, the statement says.

Georgia: Abkhaz Minister Urges 'Order' Established in Gali District

LD1202120696 Tbilisi SAKINFORM in Russian 1030 GMT 12 Feb 96

[FBIS Translated Text] Givi Agrba, interior minister of the illegal republic of Abkhazia, has urged his subordinates "to finally establish order in Gali District [mainly ethnic Georgian district adjacent to the Abkhaz-Georgia border]," according to reports from Sukhumi. To achieve this goal, he has ordered that neither women nor children be spared. A harsh policy is a prerequisite for our success, since it was such a policy that led to the Abkhaz victory in the war against Georgia in 1993, he said in an address to law- enforcement officials.

A recent punitive operation by Abkhaz police in the village of Sida in Gali District might have been a result of Agrba's address. Police brutally beat 15 male civilians of Georgian nationality who live in the village and took them hostage. The hostages are thought to be in Sukhumi at present.

Georgia: Over 200 Georgians Captured in Abkhazia 7-9 Feb

LD1002194996 Moscow INTERFAX in English 1706 GMT 10 Feb 96

[FBIS Transcribed Text] TBILISI, Feb 10 (Interfax) — Armed formations of the so-called Abkhaz separatist authorities captured over 200 Georgians in several villages of Abkhazia's Ghali region on February 7-9 and moved them in an unknown direction, Chairman of the Tbilisi-based (pro-Georgian) Abkhaz Supreme Soviet Tamaz Nadareishvili told Interfax today.

Abkhazia is an internal Georgian republic.

Nadareishvili said he had handed Commander of Peacekeeping Forces in the conflict zone, Gen. Vladimir Yakushev a protest over the incident.

Estonia

Estonia: Meri: No Border Claims Against Russia

MK1002144496 Moscow SEGODNYA in Russian 9 Feb 96 p 7

[Interview with Estonian President Lennart Meri by Vadim Nesvizhskiy: "Lennart Meri: 'Revision of Borders Could Turn Into Disaster for Whole of Europe.' Tallinn Is Removing Territorial Issues From Agenda" — place and date not given]

[FBIS Translated Excerpt] [Nesvizhskiy] Mr. President, despite Tallinn's criticism of Moscow, which sometimes is very harsh, Estonia did not use its right of veto when Russia was being adopted into the Council of Europe. What was the reason for such a stance by the Estonian leaders?

[Meri] While discussing this issue, it was hard for all member states of the Council of Europe to make a choice. On one hand, the reality is that a large part of Europe is known to us under the name of the "Russian Federation." From this viewpoint, any organization aspiring to have an all-European standing cannot ignore such a state. On the other hand, Europe has reacted very sharply to Russia's actions in Chechnya. Not only Estonia but all of the Council of Europe's members had to make a final choice between two bad options. [passage omitted]

[Nesvizhskiy] Is Estonia ready today to renounce its border claims under the Tartu Treaty and to recognize the present state borders?

[Meri] First of all, we all are realistic people. The post-World War II borders in Europe in very rare cases coincide with those before the war. If we open this "Pandora's box," this will turn into a disaster for the whole of Europe. The eastern part of Finland; Kaliningrad Oblast; Poland, whose borders were moved westward; Czechoslovakia or Hungary, with a large part of the population living outside its homeland — the list could be endless. I can understand those European politicians who regard the problem of borders as a fatal question capable of leading to tragic chaos.

Estonia has slowly but surely arrived at this conclusion as well. Now, the territorial problem has been removed from the agenda of our relations with Russia. There is only a small, purely technical question about 12 square kilometers of sea space, but I think this problem can be easily settled.

[Nesvizhskiy] It is known that to become a member of the European Union and NATO as soon as possible is a priority of Estonian foreign policy. How realistic, to your mind, is this goal?

[Meri] We have managed to carry out our foreign economic reforms very quickly, although it was hard to do so since we were running against the rain, whereas people usually run away from a cloud. We got wet all through, but rapidly reached a place under the warm sun, having excellent economic indicators, a low unemployment rate, and a completely balanced state budget. We are not spending a single cent in excess of revenues. We are among the tops in Europe as regards foreign investment. Today, we have all the prerequisites to move forward successfully and to meet standard European requirements, including the outfitting of customs with special laboratories to determine fat content of butter or the quality of margarine exported to European Union countries so as to check whether these products comply with European standards.

Problems with NATO are of a more dynamic kind, and they should certainly be considered as a political problem for the whole of Europe.

[Nesvizhskiy] To what extent have Estonian leaders and you personally been alarmed by the results of the parliamentary election in Russia, where the communists and nationalists gained an impressive victory? Are there any fears in Tallinn that, if extremist forces come to power in Moscow in the presidential election, Moscow could make a new attempt to take over the Baltic area using military means?

[Meri] Estonia does not fear anything. We know that if history repeats itself, it does so in the form of a cheap vaudeville. I do not think that we should fear an intrusion of a new Zhdanov with new tanks to Estonia. If, however, some adventurer dares to do so, we will do our best to cast him away from our borders. I cannot imagine that the whole Russian army could fit on the narrow bridge over the Narva. As for verbal saber-rattling, we do not take this very seriously. I should note, however, that among the typical traits of an Estonian there is not only phlegmatic peacefulness, but also a cool aim-taking.

Still I would not like to look at Russia's future through such gloomy glasses. What Academician Sakharov bequeathed to Europe is also a part of this enormous country. It would be amazing if, after such a long period of totalitarianism, everybody could immediately learn the art of parliamentary democracy. These are not perfunctory political classes.

At the same time, the mere fact that Estonia is a stable state that will become a part of the European Union is a promise that there will be proper cooperation with Russia. Russia will never have the problems on its western borders that it has at its southern ones. This alone is a positive factor, and I am sure that Russian politicians will be able to appreciate this.

Estonia: Importance of Free Trade Treaty With Kiev Stressed

WS0902110996 Tallinn BNS in English 1847 GMT 8 Feb 96

[FBIS Transcribed Text] Tallinn, Feb 8, BNS — The free trade treaty with Ukraine is one of the most important things that have happened in Estonia's foreign policy during the past few years, a senior foreign ministry official in Tallinn said.

The treaty, ratified by the Ukrainian legislative body on Tuesday, opens up big opportunities and has to be implemented as quickly as possible, said Alar Streimann, head of the ministry's foreign economic policy department.

Estonia ratified the agreement last October.

Streimann said the treaty's impact on business relations was expected to lead to new steps in practice.

In connection with the ratification of the free trade treaty, the Ukrainian prime minister is due to visit Estonia in May.

Also expected soon are trips by Ukrainian business leaders to Estonia and an exhibition of the products of Estonian companies in Ukraine, Streimann said.

The free trade treaty, signed by the presidents of the two countries last May, lifts all barriers in trade between Estonia and Ukraine.

The treaty also bans the countries to establish limits on imports from each other.

Estonia exported 825.7 million kroons (USD 72 million) worth of goods to Ukraine in 1995, which accounted for 3.76 percent of the country's total exports. Estonia's trade balance with Ukraine was positive by 483.7 million kroons.

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